

**FINDINGS OF THE CHANNELVIEW
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
LYONDELL CHEMICAL COMPANY (#1199)**



November 16, 2017

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NOVEMBER 16, 2017

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STATE OF TEXAS §

COUNTY OF HARRIS §

On the 16th day of November 2017, a public meeting of the Board of Trustees of the Channelview Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Lyondell Chemical Company (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On June 20, 2017, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application, as amended, is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 19541605580), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

The Board of Trustees acknowledged receipt of the Application, along with the requisite application fee, established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Harris Central Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On July 20, 2017, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on August 18, 2017 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc. is attached to these findings as **Attachment D**.

The Board of Trustees has confirmed that the taxable value of property in the District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment E**.

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

LyondellBasell Industries N.V. ("LyondellBasell" or the "Company") proposes -- through its wholly-owned indirect subsidiary, Lyondell Chemical Company ("LCC") -- to construct a new propylene oxide/tertiary butyl alcohol ("POTBA") plant in Harris County, Texas, adjacent to LCC's existing Channelview plant. The proposed POTBA plant will have an annual capacity of 456 thousand metric tons (1.01 billion pounds) of propylene oxide ("PO") and 1,066 thousand metric tons (2.35 billion pounds) of tertiary butyl alcohol ("TBA").

Property used for manufacturing is eligible for a limitation under §313.024(b)(1).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment B, the Board finds that that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating eighty (80) new qualifying jobs. The average salary level of qualifying jobs will be at least \$65,000 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

The Applicant does not intend to create any non-qualifying jobs.

In its Application, Applicant has indicated that it does not intend to create any to non-qualifying jobs. For all non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage of \$68,965 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 7.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$1.4 billion to the tax base for debt service purposes at the peak investment level for the 2022-23 school year. The project remains fully taxable for debt services taxes, with the District currently levying a \$0.3560 per \$100 I&S rate. While the value of the Project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to provide at least a modest boost to the District's ability to meet its I&S requirements in the peak value year for the project. The project should enhance and help maintain the District's underlying I&S tax base in the future.

Board Finding Number 8.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 9.

The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 10.

The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared a signed statement that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 11.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Eighty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code, the District is categorized as Subchapter B, which applies only to non-rural school districts. Given that the total taxable value of property is approximately \$2.7 billion, it is classified as a Category II district which can offer a minimum value limitation of \$80 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

Board Finding Number 14.

The Applicant (Taxpayer No. 19541605580) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 19541605580), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 16.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first and second years that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the

Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at [http:// http://pol.tasb.org/Home/Index/585](http://pol.tasb.org/Home/Index/585) that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

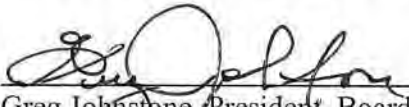
Board Finding Number 20.

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

Dated the 16th day of November 2017.

CHANNELVIEW INDEPENDENT SCHOOL DISTRICT

By: 
Greg Johnstone, President, Board of Trustees

ATTEST:

By: 
Steven Dennis, Secretary, Board of Trustees

Attachment A

Application

Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

June 20, 2017

Date Application Received by District

Greg

First Name

Ollis

Last Name

Superintendent

Title

Channelview Independent School District

School District Name

828 Sheldon Road

Street Address

828 Sheldon Road

Mailing Address

Channelview

City

281-452-8002

Phone Number

TX

State

77530

ZIP

281-452-8001

Fax Number

Greg.Ollis@cvisd.org

Email Address

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application?



Yes



No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Daniel T. Casey
First Name Last Name
Partner
Title
Moak, Casey & Associates LLP
Firm Name
512-485-7878 512-485-7888
Phone Number Fax Number
dcasey@moakcasey.com
Mobile Number (optional) Email Address

4. On what date did the district determine this application complete? June 29, 2017

5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Alfred C. Wong
First Name Last Name
Assistant Secretary Lyondell Chemical Company
Title Organization
1221 McKinney Street, Suite 700, Houston, TX 77010
Street Address
P.O. Box 3646 Houston, TX 77253-3646
Mailing Address
Houston TX 77253-3646
City State ZIP
713-309-7200 713-951-1628
Phone Number Fax Number
Alfred.Wong@lyondellbasell.com
Mobile Number (optional) Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ☒ Yes ☐ No

2a. If yes, please fill out contact information for that person.

Angela Gonzalez
First Name Last Name
Senior Tax Manager Lyondell Chemical Company
Title Organization
1221 McKinney Street, Suite 700, Houston, TX 77010
Street Address
P.O. Box 3646 Houston, TX 77253-3646
Mailing Address
Houston TX 77253-3646
City State ZIP
713-309-7200 713-951-1628
Phone Number Fax Number
angela.gonzalez@lyondellbasell.com
Mobile Number (optional) Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Greg

Maxim

First Name

Last Name

Partner

Title

Cummings Westlake LLC

Firm Name

713-266-4456

713-266-2333

Phone Number

Fax Number

gmaxim@cwlp.net

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Lyondell Chemical Company
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 19541605580
3. List the NAICS code 325110
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☒ Yes ☐ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☐ Land has no existing improvements	☒ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☒ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No *
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☒ Yes ☐ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board 2017
2. Commencement of construction Third Quarter 2018
3. Beginning of qualifying time period Jan. 2, 2018
4. First year of limitation 2021
5. Begin hiring new employees First Quarter 2020
6. Commencement of commercial operations Third Quarter 2021
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? Third Quarter 2021

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Harris
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Harris
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Harris County, 0.41656, 100% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Harris County Hosp., 0.17179, 100% Water District: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): See Tab 6 Other (describe): N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 80,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 80,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☒ Yes ☐ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☒ Yes ☐ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone?

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 263,390.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2017
 (year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 2,123
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 80
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☒ No
- 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
- a. Average weekly wage for all jobs (all industries) in the county is 1,325.25
- b. 110% of the average weekly wage for manufacturing jobs in the county is 1,770.73
- c. 110% of the average weekly wage for manufacturing jobs in the region is 1,163.14
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 60,483.50
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 65,000.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
- 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
- 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* * To be submitted with application or before date of final application approval by school board
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

A copy of the check for the \$75,000 application fee to Channelview ISD is found on the following page.

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of
Public Accounts)*

Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

TAB 3

*Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)*

Lyondell Chemical Company is part of a combined group. See attached Form 05-165.

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 4

Specific Tab 4 information is submitted under separate cover due to confidential information pursuant to Tex. Gov't Code Section 552.104 and Tex. Gov't Code Section 552.110.

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

Description of Project

LyondellBasell Industries N.V. ("LyondellBasell" or the "Company") proposes -- through its wholly-owned indirect subsidiary, Lyondell Chemical Company ("LCC") - - to construct a new propylene oxide/tertiary butyl alcohol ("POTBA") plant in Harris County, Texas, adjacent to LCC's existing Channelview plant. The proposed POTBA plant will have an annual capacity of 456 thousand metric tons (1.01 billion pounds) of propylene oxide ("PO") and 1,066 thousand metric tons (2.35 billion pounds) of tertiary butyl alcohol ("TBA").

New process equipment associated with this project includes, but is not limited to, reactors, vessels, heat transfer equipment, fractionation and distillation towers, pumps, motors, electrical substation and other electrical infrastructure and controls, computer control systems, operational safety systems, process piping, boilers, flares, emergency generator, firewater pumps, cooling towers and cooling water circulation and distribution system, pollution control equipment, wastewater treatment plant, storage tanks and spheres with associated piping and other equipment components. New buildings include, but are not limited to administration offices, warehouse/maintenance shops, laboratory, and control room buildings. Land improvements include, but are not limited to, rail spurs and switches, truck loading/unloading areas, rail loading/unloading areas, pipeline connections and metering, parking lots, road paving, and storm water ditches and impoundments

The TBA to be produced will be converted into MTBE, a gasoline additive that is used primarily outside the U.S. An MTBE unit will also be constructed in conjunction with the POTBA plant, but for commercial reasons the MTBE unit will be constructed at LCC's Bayport site.¹

¹ A separate Chapter 313 application for the MTBE unit will be filed with La Porte ISD at or near the same time that this application is filed. At present, LCC has POTBA units (held by a joint venture) at its Bayport site, TBA from which is transported by LCC to Channelview and converted into MTBE at an existing MTBE unit currently operating in Channelview. Following construction of the new Channelview POTBA unit and the new Bayport MTBE unit, Channelview-produced TBA will be

Lyondell Chemical Company

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Cummings Westlake, LLC

TAB 5

Specific Tab 5 information is submitted under separate cover due to confidential information pursuant to Tex. Gov't Code Section 552.104 and Tex. Gov't Code Section 552.110

Documentation to assist in determining if limitation is a determining factor.

Lyondell Chemical Company's parent company -- LyondellBasell Industries N.V. ("LyondellBasell") -- is one of the world's largest chemical companies with 2016 revenues of over \$29 billion. LyondellBasell has 55 manufacturing sites in 18 countries, with the principal manufacturing sites being in the United States, Germany, Italy, the Netherlands, France, and Spain. LyondellBasell has the option to invest capital in manufacturing plants on a worldwide basis.

Lyondell Chemical Company previously submitted a Chapter 313 Application for Limitation on Appraised Value for this project with Channelview ISD, under Application No. 1061. By letter dated June 12, 2015, the Comptroller recommended that Application No. 1061 be approved. Lyondell Chemical Company and Channelview ISD entered into a Value Limitation Agreement with respect to this application on June 7, 2016.

The project that was the subject of the original application and agreement and this application are the same project, a proposed new propylene oxide (PO) and tertiary butyl alcohol (TBA) plant. After the original application was approved, the project did not move forward for a number of reasons:

- Uncertainty / volatility in the petrochemicals market due to the drop in oil prices,
- High labor and construction costs,
- Company capital expenditure constraints, and
- Re-evaluation of the project scope and economics.

The original project never progressed to the point that it was presented to the LyondellBasell Supervisory Board of Directors for final approval (a necessary internal governance step). Applicant did not commence any construction on the site as originally planned (see aerial photos of the proposed site attached hereto as Item A to Tab 5).

converted into MTBE at the existing Channelview MTBE unit and Bayport-produced TBA will be converted into MTBE at the "new" Bayport MTBE unit.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD*

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

Applicant has terminated the previous agreement with Channelview ISD (Application #1061) because Applicant will not satisfy the \$80 million investment requirement by year end 2018, as required.

Applicant is now re-evaluating the economics of this project and re-considering whether to continue. LyondellBasell Industries and its subsidiaries, including Applicant, own and operate petrochemical manufacturing facilities around the world as well as in the United States.

The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board later this year for determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without the Chapter 313 value limitation, siting the project at Channelview ISD is less attractive.

Set forth below is additional information in response to the questions in Section 8 of the Application.

Does the applicant currently own the land on which the proposed project will occur?

The reinvestment zone will consist of property owned by Lyondell Chemical Company, Equistar Chemicals, LP (a wholly owned subsidiary of LyondellBasell), and other landowners not affiliated with LyondellBasell. No qualified investment or qualified property will be constructed on any land that Lyondell Chemical Company or Equistar Chemicals, LP does not own.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Yes. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the Project is technically viable and can be cost-competitive in the global marketplace.

Does the applicant have current business activities at the location where the proposed project will occur?

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD*

Lyondell Chemical Company

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Aerial photos (attached here as Item A to Tab 5) depict the proposed project site. There are no current business activities occurring at the location where the proposed project will occur.

Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?

Applicant has made public statements regarding its intentions regarding the proposed project location. As described in the original application, on August 25, 2014, LyondellBasell announced publicly that it planned to build a world-scale propylene oxide/tertiary butyl alcohol ("POTBA") plant on the U.S. Gulf Coast. Subsequent press releases merely mention plans for a possible POTBA plant. As noted above, a final investment decision has not been made for this project. As is typical for large construction projects in the chemical industry, front-end engineering and design must first be completed in order to evaluate the technical viability and cost effectiveness of the project. Copies of the relevant press releases are attached hereto as Item B to Tab 5.

- PRNewswire: August 25, 2014

LyondellBasell (NYSE: LYB) announced today plans to build a world scale PO/TBA plant on the U.S. Gulf Coast with an annual capacity of 900 million pounds of propylene oxide (PO) and 2 billion pounds of tertiary butyl alcohol (TBA) and its derivatives.

- PRNewswire: November 19, 2015

LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies, today announced that it is advancing plans to build the world's largest propylene oxide (PO) and tertiary butyl alcohol (TBA) plant in the Houston area.

- chemicals-technology.com: February 10, 2016

LyondellBasell, a plastics, chemical and refining company has selected Fluor to provide front-end engineering and design (FEED) services for its proposed propylene oxide and tertiary butyl alcohol (PO/TBA) plant, to be built at its La Porte and Bayport Choate sites in Texas, US.

- BusinessWire: July 15, 2016

LyondellBasell proposes to build a propylene oxide and tertiary butyl alcohol (PO/TBA) plant to be located in La Porte and Pasadena, Texas, USA.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

The PO/TBA project is the largest single capital development project planned by LyondellBasell.

- PRNewswire: September 9, 2016

Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's La Porte site is progressing.

- PRNewswire: January 19, 2017

Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's La Porte site is progressing.

- PRNewswire: May 15, 2017

Additionally, development of a world-scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's La Porte site is progressing and a final PO/TBA investment decision is expected in the second half of 2017.

- LYB Presentation: June 5, 2017

1 billion pounds Propylene Oxide, 29 MBPD Oxyfuels

Final Investment Decision – 3Q 2017

Est. cost: ~\$2.0 - \$2.5 billion

Has the applicant received any local or state permits for activities on the proposed project site?

As is typical for large construction projects in the chemical industry, where obtaining certain permits is a long lead time item and are applied for significantly in advance of the commencement of the project, Applicant has filed certain permit applications relating to the proposed project but has not received TCEQ permits as of the date this application is filed.

Has the applicant received commitments for state or local incentives for activities at the proposed project site?

As indicated above, Applicant previously entered into (and subsequently terminated) a Value Limitation Agreement (Application #1061) with respect to this project.

Lyondell Chemical Company

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Cummings Westlake, LLC

Has the applicant provided capital investment or return on investment information for the proposed project in comparison with alternative investment opportunities?

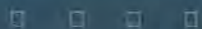
No.

Has the applicant provided information related to the applicant's inputs, transportation and market for the proposed project?

No.

Are you submitting information to assist in the determinations as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

Yes, this Tab 5 and the attachments to Tab 5.

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LyondellBasell to Build World Scale PO/TBA Plant on U.S. Gulf Coast

25 Aug, 2014, 06:50 ET from [LyondellBasell](#)



LyondellBasell (PRNewsFoto/LyondellBasell Industries)

HOUSTON and LONDON, Aug. 25, 2014 /PRNewswire/ -- LyondellBasell (NYSE: [LYB](#)) announced today plans to build a world scale PO/TBA plant on the U.S. Gulf Coast with an annual capacity of 900 million pounds of propylene oxide (PO) and 2 billion pounds of tertiary butyl alcohol (TBA) and its derivatives. The preliminary timetable is to have the plant operational in 2019. The project is expected to generate up to 1,200 construction jobs at its peak.

The plant is expected to sell PO in the global marketplace to meet growing demand for polyurethanes, which are used primarily for the manufacture of bedding, furniture, carpets and car seats. TBA and its derivatives will be sold to meet the need for high octane gasoline blending

components as well as for use in manufacturing synthetic rubber and lubricant additives.

"While we have not finalized the exact location of the plant, the abundant natural gas liquids associated with shale gas make the U.S. Gulf Coast an advantaged feedstock region," said Pat Quarles, LyondellBasell Senior Vice President of Intermediates and Derivatives. "This project combines our leading proprietary PO/TBA technology with low cost feedstock and demonstrates our continued commitment to capturing maximum advantage of market opportunities."

This press release contains forward-looking statements. Forward-looking statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations or operating results. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results to differ from forward-looking statements include, but are not limited to, availability, cost and price volatility of raw materials and utilities; supply/demand balances; industry production capacities and operating rates; uncertainties associated with worldwide economies; legal, tax and environmental proceedings; cyclical nature of the chemical and refining industries; operating interruptions; current and potential governmental regulatory actions; terrorist acts; international political unrest; competitive products and pricing; technological developments; the ability to comply with the terms of our credit facilities and other financing arrangements; the ability to implement business strategies; and other factors affecting our business generally as set forth in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2013, which can be found at www.lyb.com on the Investor Relations page and on the Securities and Exchange Commission's website at www.sec.gov.

LyondellBasell (NYSE: LYB) is one of the world's largest plastics, chemical and refining companies. The company manufactures products at 55 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyb.com.

Logo - <http://photos.prnewswire.com/prnh/20140416/75605>

LyondellBasell Developing World's Largest PO/TBA Plant

Project would create up to 2,500 construction jobs and approximately 100 permanent positions in the Houston area

19 Nov, 2015, 12:00 ET from [LyondellBasell](#)



lyondellbasell

Amazing Chemistry

HOUSTON and LONDON, Nov. 19, 2015 /PRNewswire/ -- LyondellBasell (NYSE: [LYB](#)), one of the world's largest plastics, chemical and refining companies, today announced that it is advancing plans to build the world's largest propylene oxide (PO) and tertiary butyl alcohol (TBA) plant in the Houston area. This project, considered to be the largest of its kind, is expected to create up to 2,500 construction jobs and approximately 100 permanent positions.

"We are moving forward in a deliberate fashion to develop what could become the single largest

capital investment in LyondellBasell's history," said Chief Executive Officer Bob Patel. "We continue to believe that the combination of low-cost natural gas liquids available on the U.S. Gulf Coast, along with our leading proprietary PO/TBA technology, will allow this proposed project to capture maximum advantage of market opportunities."

The Company will soon begin front-end engineering design work and file environmental permit applications. This phase will also include funding to order long lead-time equipment. A final investment decision is expected to be made following completion of the engineering design work.

The Company's complex located in Channelview, Texas unit. The Bayport Choate site near Pasadena was selected for an ethers unit which will produce oxy-fuels for high octane gasoline. A split facility design between the Channelview and Bayport sites will optimize the product balances between the sites and create additional synergies.

This project is part of LyondellBasell's previously announced \$3 - \$4 billion expansion effort that will take place on the U.S. Gulf Coast over the next five years. LyondellBasell has already completed work on ethylene expansion projects at the Company's La Porte and Channelview sites in Texas. A third ethylene expansion project is currently underway in Corpus Christi.

LyondellBasell first announced the PO/TBA project in August of 2014. Annual production capacities are anticipated to be one billion pounds of propylene oxide and two billion pounds of tertiary butyl alcohol.

The plant will sell PO in the global marketplace to meet growing demand for polyurethanes, which are used primarily for the manufacture of bedding, furniture, carpets and car seats. TBA and its derivatives, which include oxy-fuels, will be sold to meet the need for high octane gasoline blending components as well as for use in manufacturing synthetic rubber and lubricant additives.

About LyondellBasell LyondellBasell (NYSE: LYB) is one of the world's largest plastics, chemical and refining companies. The company manufactures products at 56 sites in 19 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at

www.lyb.com.

Forward-Looking Statements The statements in this release relating to matters that are not historical facts are forward-looking statements. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual results could differ materially based on factors including, but are not limited to, the business cyclicity of the chemical, polymers and refining industries; the availability, cost and price volatility of raw materials and utilities, particularly the cost of oil, natural gas, and associated natural gas liquids; labor conditions; operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental risks); supply/demand balances for PO, TBA, or other products; industry production capacities and operating rates; uncertainties associated with worldwide economies; legal, tax and environmental proceedings; our ability to successfully execute projects and growth strategies; current and potential governmental regulatory actions; terrorist acts; international political unrest; technological developments; the ability to comply with the terms of our credit facilities and other financing arrangements; our ability to obtain all necessary regulatory approvals and to successfully construct and operate the proposed facilities described in this release; and other factors affecting our business generally as set forth in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2014, which can be found at www.lyb.com on the Investor Relations page and on the Securities and Exchange Commission's website at www.sec.gov.

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LyondellBasell selects Fluor to provide FEED work for PO/TBA plant in Texas, US

LyondellBasell, a plastics, chemical and refining company has selected Fluor to provide front-end engineering and design (FEED) services for its proposed propylene oxide and tertiary butyl alcohol (PO/TBA) plant, to be built at its Channelview and Bayport Choate sites in Texas, US.

The value of the contract has not been disclosed.

Claimed to be the world's largest PO/TBA plant, the output of the plant will be used to produce polyols, high-octane gasoline components, and other isobutylene derivatives.

"Fluor is bringing its proven integrated engineering, procurement, fabrication and construction solutions approach to

support this world-scale project."

Under the contract, Fluor will provide services to a one billion pound-per-year propylene oxide and a two billion pound-per-year tertiary butyl alcohol plant at the Channelview, site as well as an ethers plant at the Bayport Choate site and other related infrastructure.

Fluor Americas business line energy and chemicals president Jim Brittain said: "Fluor is bringing its proven integrated engineering, procurement, fabrication and construction solutions approach to support this world-scale project's advancement.

"We will leverage our extensive US Gulf Coast chemicals experience and innovative global procurement and design approaches to develop a capital efficient solution for LyondellBasell."

The FEED activities of the plant are expected to be completed in this year.

In 2014, LyondellBasell first revealed its plan to establish the PO/TBA plant, which is a part of the company's previously announced \$3bn-\$4bn expansion plan on the US Gulf Coast over the next couple of years.

The company has already completed expansion of an ethylene plant at its La Porte and Channelview sites in Texas.

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LyondellBasell Selects WorleyParsons for PO/TBA Plant Integrated Project Management

WorleyParsons awarded an Integrated Project Management Team (IPMT) contract by LyondellBasell.

July 15, 2016 02:18 AM Eastern Daylight Time

SYDNEY--(BUSINESS WIRE)--WorleyParsons (ASX:WOR) has been awarded an Integrated Project Management Team (IPMT) contract by LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies.

LyondellBasell propose to build a propylene oxide and tertiary butyl

and Pasadena, Texas,

LyondellBasell. Annual production capacities are anticipated to be 1-billion lbs/year of PO and 2-billion lbs/year of TBA.

"We look forward to building a lasting and mutually beneficial relationship with LyondellBasell."

 [Tweet this](#)

WorleyParsons will be working closely with LyondellBasell as an Integrated Project Team, to assist LyondellBasell in managing the recently commenced Front End Engineering Design (FEED), project execution and site construction.

"WorleyParsons is very pleased to be the chosen IPMT for this world-scale project. As a leading project delivery service provider in the United States, we will provide a full range of our proven project management expertise and bring a strong collaborative culture to the IPMT, as well as our technical know-how and project delivery systems to ensure that the PO/TBA project will be executed successfully," said Chris Parker, Regional Managing Director of WorleyParsons Americas. "We look forward to building a lasting and mutually beneficial relationship with LyondellBasell."

About WorleyParsons:

WorleyParsons delivers projects, provides expertise in engineering, procurement and construction and offers a wide range of consulting and advisory services. We cover the full lifecycle, from creating new assets to sustaining and enhancing operating assets, in the hydrocarbons, mineral, metals, chemicals and infrastructure sectors. Our resources and energy are focused on responding to and meeting the needs of our customers over the long term and thereby creating value for our shareholders.

WorleyParsons is listed on the Australian Securities Exchange [ASX: WOR].

Further information on WorleyParsons is available on the Internet at www.worleyparsons.com and www.advisian.com.

Contacts

For further information, please contact:

WorleyParsons

Fran VanReyk, +61 2 8456 7256

Director Investor Relations and Group Marketing & Communications

investor.relations@worleyparsons.com

WORLEYPARSONS LTD

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April 20, 2017

[Biosynthetic Technologies Selects WorleyParsons for Bio Base Oil Project in Texas](#)



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LyondellBasell Will Build High Density Polyethylene Plant at La Porte, Texas, Complex

Construction to Begin Early 2017 and Create Up to 1,000 Construction Jobs

NEWS PROVIDED BY

LyondellBasell

09 Sep, 2016, 08:30 ET

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HOUSTON and LONDON, Sept. 9, 2016 /PRNewswire/ -- LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies, has selected its La Porte, Texas, manufacturing complex as the site for a new High Density Polyethylene (HDPE) Plant. The plant will be the first commercial plant to employ LyondellBasell's new proprietary *Hyperzone* PE technology and will have an annual capacity of 1.1 billion pounds (500,000 metric tons). The project is expected to create up to 1,000 jobs at the peak of construction and as many as 75 full time positions. Construction is scheduled to begin in early 2017 with start-up planned for 2019.

"This project represents the next generation of technology," said Bob Patel, LyondellBasell CEO and Chairman of the Management Board. "This location

is ideal for this facility because of the feedstock advantage we enjoy, the ability to ship product around the world and, most importantly, the outstanding workforce that the Gulf Coast has to offer."

LyondellBasell (PRNewsFoto/LyondellBasell Industries)

Located on the south shore of the Houston Ship Channel, LyondellBasell's La Porte complex spans 540 acres and produces ethylene, propylene, Linear Low-Density Polyethylene (LLDPE) and Low-Density Polyethylene (LDPE). LLDPE, LDPE and HDPE are thermoplastics used to manufacture a wide variety of plastic products used in everyday life such as bottles, bags, containers, toys, food packaging, healthcare articles, automotive applications and industrial packaging. The La Porte complex is also the primary location for LyondellBasell's Acetyls business with an integrated chain of manufacturing units producing methanol, acetic acid and vinyl acetate monomer (VAM). VAM is used in household latex paint, adhesives, food packaging, wire and cable coatings and automotive safety glass.

HDPE is one of the most versatile plastics because it is lightweight, yet very strong; impact resistant; weather resistant; it can be molded into almost any shape and is widely recyclable.

HDPE resins produced using LyondellBasell's new proprietary *Hyperzone* PE technology will exhibit enhanced properties such as an improved stress crack

resistance and an improved balance between stiffness and impact strength. In certain applications, *Hyperzone* PE resins may allow customers to use less PE resin per unit produced, resulting in improved resource efficiency and savings for customers. This technology was developed at LyondellBasell's European research and development centers located in Frankfurt, Germany, and Ferrara, Italy.

LyondellBasell currently produces a total of 7.8 billion pounds (3.5 million metric tons) of HDPE annually, including capacity of its joint venture facilities. The company is a leading worldwide producer of all forms of PE with an annual capacity of 13.2 billion pounds (6 million metric tons). LyondellBasell is a global leader in the development and licensing of polyolefin processes and related catalysts and plans to make the *Hyperzone* PE technology available for licensing in the future. The company has over 250 polypropylene and polyethylene lines licensed worldwide.

The *Hyperzone* PE project is part of LyondellBasell's ongoing growth plan. Recently, the company completed work on ethylene expansion projects at the La Porte and Channelview sites in Texas. A third ethylene expansion project is currently underway in Corpus Christi, Texas. **Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's Channelview**

About LyondellBasell

LyondellBasell (NYSE: [LYB](#)) is one of the world's largest plastics, chemical and refining companies. The company manufactures products at 57 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyb.com.

Hyperzone is a trademark owned by the LyondellBasell Industries group of companies.

Forward-Looking Statements

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. Actual results could differ materially based on factors including, but not limited to, our ability to obtain all necessary regulatory approvals and to successfully construct and operate the proposed facilities described in this release; and general economic conditions in geographic regions or markets served by LyondellBasell or where operations of the company are located. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2015, which can be found at www.lyb.com on the Investor Relations page and on the Securities and Exchange Commission's website at www.sec.gov. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

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LyondellBasell Corpus Christi Complex Expansion Complete



Project completes multi-year plan to increase annual US ethylene capacity by 2 billion pounds

NEWS PROVIDED BY

LyondellBasell

19 Jan, 2017, 06:45 ET

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HOUSTON, and LONDON, Jan. 19, 2017 /PRNewswire/ -- LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies, today announced completion of the 800 million pounds-per-year ethylene expansion project at the company's Corpus Christi, Texas, site. The project increases ethylene capacity at the facility by 50 percent, from 1.7 billion pounds-per-year to 2.5 billion pounds-per-year, and completes the company's multi-year plan to increase annual ethylene capacity in the U.S. by two billion pounds.

"As we look to meet growing, global demand for our products, we continue to seek the right opportunities that ensure we are well positioned for the longer term," said Bob Patel, LyondellBasell CEO and chairman of the management board. "By expanding ethylene capacity in the U.S. through debottlenecks rather than long and

costly greenfield developments, we quickly added substantial capacity for significantly less than the cost of a new plant," he added.

LyondellBasell's 800 million pounds-per-year ethylene expansion project in Corpus Christi, Texas, increases ethylene capacity at the facility by 50 percent, from 1.7 billion pounds-per-year to 2.5 billion pounds-per-year, and completes the company's multi-year plan to increase annual ethylene capacity in the U.S. by two billion pounds.

Completion of the Corpus Christi expansion is another milestone in the company's organic profit-generating growth strategy. To date, the company has completed the following expansion projects at its manufacturing sites globally:

- **2012**

120 million pounds-per-year combined ethylene/polyethylene increase – Clinton, Iowa and Morris, Ill.

- **2013**

155 million pounds-per-year butadiene increase – Wesseling, Germany

250 million gallons-per-year methanol increase – Channelview, Texas

- **2014**

800 million pounds-per-year ethylene increase – La Porte, Texas

220 million pounds-per-year polyethylene increase – Matagorda, Texas

- **2015**

250 million pounds-per-year ethylene increase – Channelview, Texas

- **2016**

800 million pounds-per-year ethylene increase – Corpus Christi, Texas

Since 2012, LyondellBasell has invested approximately \$2 billion in U.S. Gulf Coast expansion projects and plans to invest an additional \$3 billion in the region. In September, the company announced the construction of a high density polyethylene plant (HDPE) in La Porte that will be the first to utilize LyondellBasell's new proprietary Hyperzone PE technology. HDPE is one of the most versatile plastics because it is lightweight, yet very strong; impact resistant; weather resistant; it can be molded into almost any shape and is widely recyclable. Construction is scheduled to begin in early 2017 with start-up planned for 2019.

Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's

Ethylene is a basic chemical building block used in consumer products such as housewares, construction materials, automotive parts, food packaging and personal care products. Global demand for ethylene has consistently grown at a 4 percent annual rate, according to IHS Markit.

About LyondellBasell

LyondellBasell (NYSE: [LYB](#)) is one of the world's largest plastics, chemical and

refining companies and a member of the S&P 500. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyb.com.

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LyondellBasell Begins Construction of Hyperzone PE Plant at its La Porte Complex



Project will double PE capacity of La Porte facility

NEWS PROVIDED BY

LyondellBasell □

15 May, 2017, 17:01 ET

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HOUSTON, May 15, 2017 /PRNewswire/ -- LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemicals and refining companies, has broken ground on the first commercial *Hyperzone* polyethylene (PE) plant at its La Porte, Texas, complex. The plant will be capable of producing 1.1 billion pounds (500,000 metric tons) of high density polyethylene (HDPE) annually and will employ LyondellBasell's new proprietary *Hyperzone* PE technology that provides enhanced material performance. Startup of the plant is planned for 2019.

"Today represents the launch of our latest innovation in plastics technology," said Bob Patel, LyondellBasell CEO. "The new *Hyperzone* PE plant will produce a better plastic that advances solutions to modern challenges, like protecting the purity of

water supplies through stronger and more versatile pipes and ensuring the freshness of bulk foods by providing tough, crack-resistant containers for storage. This is truly a global effort developed by an international team, built to serve worldwide markets."



LyondellBasell CEO Bob Patel speaks about the benefits of the company's new Hyperzone PE technology during a groundbreaking celebration for the new plant in La Porte, TX.

Hyperzone PE technology enables customers to produce cost-effective, light weight plastics that are strong, durable and widely recyclable. The new *Hyperzone* PE technology also enables the production of a broad spectrum of HDPE products in one single plant whereas previous technologies require multiple plants.

LyondellBasell is a global leader in the development and licensing of polyolefin processes. The company plans to make the *Hyperzone* process technology available for licensing in the future. The technology took years to advance to commercialization and was a product of LyondellBasell's global research and development teams in Ferrara, Italy; Frankfurt, Germany; Cincinnati, Ohio; and Houston, Texas.

The company chose to build the new plant at its existing La Porte Complex because of its proximity to price-advantaged U.S. feedstocks and the transportation infrastructure needed to ship product to markets across the globe. The project will

create up to 1,000 jobs at the peak of construction and 75 permanent positions.

The La Porte Complex is one of LyondellBasell's largest manufacturing facilities spanning approximately 550 acres. The complex has two docks on the Houston Ship Channel and truck and rail transportation capabilities. Once the *Hyperzone* PE plant is complete, the La Porte Complex will more than double its annual PE capacity to 2 billion pounds (900,000 metric tons). LyondellBasell currently produces a total of 7 billion pounds (3 million metric tons) of HDPE annually, including its share of capacity through joint venture facilities. The company is a leading worldwide producer of all forms of PE with an annual capacity of 12 billion pounds (5 million metric tons).

The *Hyperzone* PE plant is part of LyondellBasell's plan for \$3-5 billion of investments along the U.S. Gulf Coast. The company recently completed work on ethylene expansion projects at its La Porte, Channelview and Corpus Christi sites in Texas. **Additionally, development of a world-scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's Channelview site is progressing and a final PO/TBA investment decision is expected in the second half of 2017.**

About LyondellBasell

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lyondellbasell

La Porte Hyperzone Polyethylene

- 1.1 billion pounds per year
- Groundbreaking – May 2017
- Startup 2019
- Est. cost: ~\$700 - 750 million



PQ/TBA

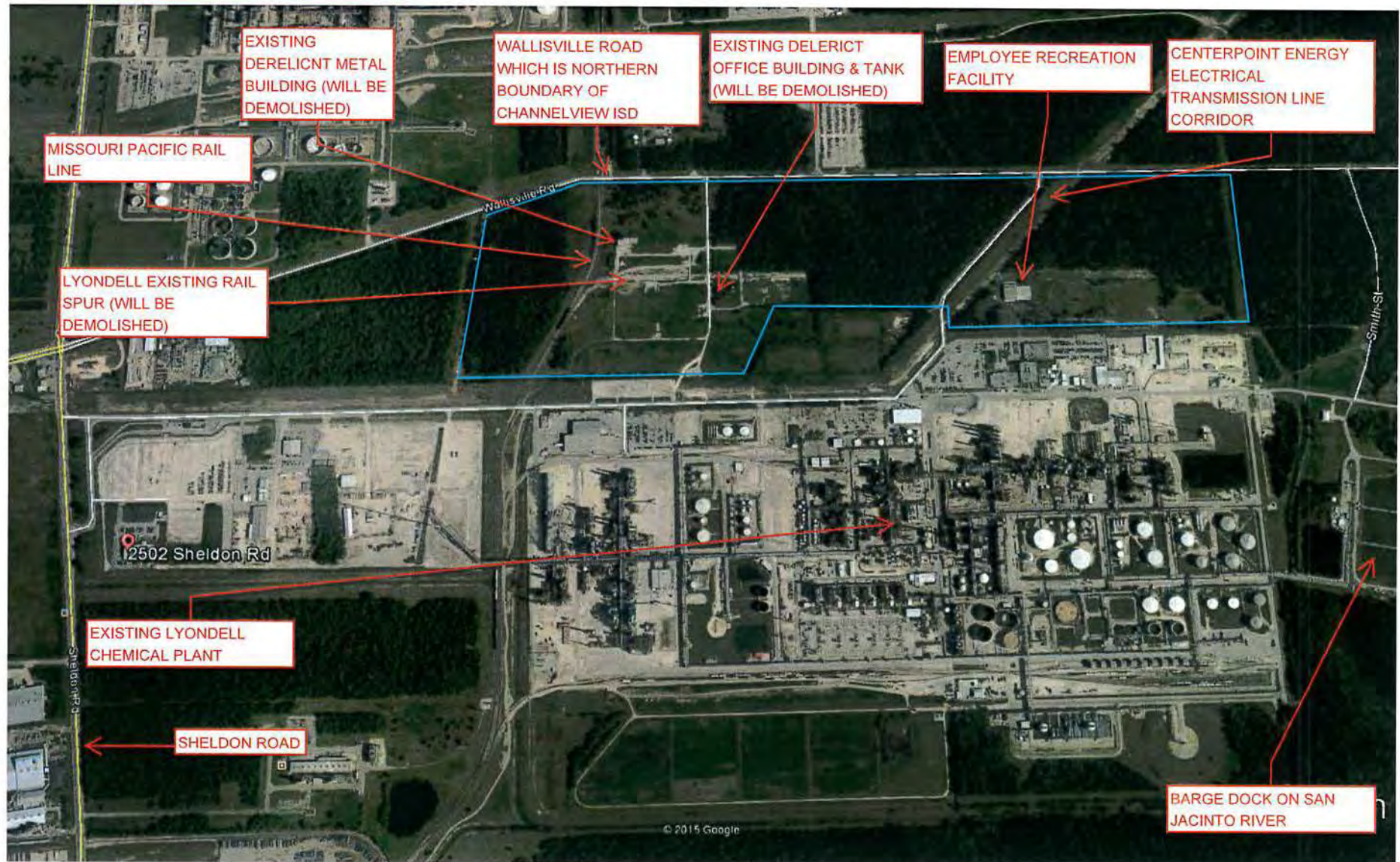
- 1 billion pounds Propylene Oxide, 29 MBPD Oxyfuels
- Final Investment Decision – 3Q 2017
- Est. cost: ~\$2.0 – \$2.5 billion



Building for the Future

17

ITEM A TO TAB 5



PROPOSED PROJECT AREA VICINITY HIGHLIGHTED IN BLUE LINE BOUNDARY ABOVE



Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

Taxing District	Percentage of Project	2016 Tax Rate
Harris County	100%	\$.41656
Port of Houston	100%	\$.01334
Harris County Hospital	100%	\$.17179
Harris County Education	100%	\$.0052
San Jacinto College	100%	\$.182379
HC ESD #50	100%	\$.0497
Channelview ISD	100%	\$1.39600

TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 7

Description of Qualified Investment

LyondellBasell Industries N.V. ("LyondellBasell" or the "Company") proposes -- through its wholly-owned indirect subsidiary, Lyondell Chemical Company ("LCC") - - to construct a new propylene oxide/tertiary butyl alcohol ("POTBA") plant in Harris County, Texas, adjacent to LCC's existing Channelview plant. The proposed POTBA plant will have an annual capacity of 456 thousand metric tons (1.01 billion pounds) of propylene oxide ("PO") and 1,066 thousand metric tons (2.35 billion pounds) of tertiary butyl alcohol ("TBA").

New process equipment associated with this project includes, but is not limited to, reactors, vessels, heat transfer equipment, fractionation and distillation towers, pumps, motors, electrical substation and other electrical infrastructure and controls, computer control systems, operational safety systems, process piping, boilers, flares, emergency generator, firewater pumps, cooling towers and cooling water circulation and distribution system, pollution control equipment, wastewater treatment plant, storage tanks and spheres with associated piping and other equipment components. New buildings would include, but are not limited to--administration offices, warehouse/maintenance shops, laboratory, and control room buildings. Land improvements include, but are not limited to, rail spurs and switches, truck loading/unloading areas, rail loading/unloading areas, pipeline connections and metering, parking lots, road paving, and storm water ditches and impoundments.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 8

Description of Qualified Property

LyondellBasell Industries N.V. ("LyondellBasell" or the "Company") proposes -- through its wholly-owned indirect subsidiary, Lyondell Chemical Company ("LCC") - - to construct a new propylene oxide/tertiary butyl alcohol ("POTBA") plant in Harris County, Texas, adjacent to LCC's existing Channelview plant. The proposed POTBA plant will have an annual capacity of 456 thousand metric tons (1.01 billion pounds) of propylene oxide ("PO") and 1,066 thousand metric tons (2.35 billion pounds) of tertiary butyl alcohol ("TBA").

New process equipment associated with this project includes, but is not limited to, reactors, vessels, heat transfer equipment, fractionation and distillation towers, pumps, motors, electrical substation and other electrical infrastructure and controls, computer control systems, operational safety systems, process piping, boilers, flares, emergency generator, firewater pumps, cooling towers and cooling water circulation and distribution system, pollution control equipment, wastewater treatment plant, storage tanks and spheres with associated piping and other equipment components. New buildings would include, but are not limited to--administration offices, warehouse/maintenance shops, laboratory, and control room buildings. Land improvements include, but are not limited to, rail spurs and switches, truck loading/unloading areas, rail loading/unloading areas, pipeline connections and metering, parking lots, road paving, and storm water ditches and impoundments.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 9

Description of Land

Please see the attached survey of land owned by Lyondell Chemical Company and others that will be the reinvestment zone. **No qualified investment or qualified property will be made on property not owned by Lyondell Chemical Company or subsidiaries of LyondellBasell Industries N.V. including Equistar Chemicals, LP.** The table below shows each Harris County Appraisal District ("HCAD") account number, the owner, appraised value as of January 1, 2017 (the most current available except for account 048-068-000-0005 which is a 2016 value), description of existing improvements and proposed disposition, if any, of existing improvements.

HCAD ACCOUNT	OWNER	ALL OR PART IN RZ*	HCAD LAND VALUE	HCAD IMPROVEMENT VALUE	EXISTING IMPROVEMENTS	DISPOSITION OF EXISTING IMPROVEMENTS
048-068-000-0034	LYONDELL CHEMICAL COMPANY	ALL	\$604,994	\$130,860	DERELICT BUILDINGS, ROADS, TANKS, RAIL SPUR	ALL WILL BE DEMOLISHED AS PART OF THE PROJECT
048-068-000-0001	EQUISTAR CHEMICALS LP	ALL	\$134,252	\$0	NONE	NOT APPLICABLE
048-068-000-0002	LYONDELL CHEMICAL COMPANY	ALL	\$36,094	\$0	NONE	NOT APPLICABLE
048-068-000-0021	MISSOURI PACIFIC RAILROAD	ALL	\$7,980	\$0	RAILROAD TRACKS	NONE
042-091-000-0002	EQUISTAR CHEMICALS, LP	PART	\$613,325	\$0	NONE	NOT APPLICABLE
042-091-000-0025	EQUISTAR CHEMICALS, LP	PART	\$1,290,703	\$4,986,300	RECREATION CENTER, DOCKS, ATHLETIC FIELD	NONE
048-068-000-0035	LYONDELL CHEMICAL COMPANY	ALL	\$14,375	\$0	NONE	NOT APPLICABLE
048-068-000-0005	CENTERPOINT ENERGY	ALL	\$48,892	\$0	ELECTRIC TRANSMISSION LINES	NONE

* RZ = Reinvestment Zone

As of January 1, 2017 (the most current value except for the last parcel which is a 2016 value), Harris County Appraisal District valued the land at \$8,581 per acre (rounded). Based upon the 163.32 acres in the reinvestment zone, the value of land in the reinvestment zone is \$1,401,462 (rounded).

TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

REINVESTMENT ZONE LEGAL DESCRIPTION

Legal description of land: being 107.5767 acres of land out of the August Peterson Survey, Abstract No. 1530, Harris County, Texas and being comprised of that certain 38.1330 acre tract of land described as 38.1158 acres by tract one and being 69.4437 acres out of that certain 78.3746 acre tract of land described as 78.486 acres by tract two in general warranty deed to EXXON CORPORATION, recorded by County Clerk's File No. L440853 and in Film Code 198-37-1410 of the official public records of Harris County, Texas. Bearings sited herein are based on the description of said 38.1158 acre tract.

Also being a tract of land in the A. Peterson Survey, Abstract No. 1530, Harris County, Texas and being a portion of that land sold to Atlantic Richfield Company as described in deed recorded under Harris County Clerk's File No. E 238690.

Also being a tract of land in the P.J. Duncan Survey, Abstract No. 232, Harris County, Texas and a being more particularly described by metes and bounds as follows:

Beginning at a 5/8" iron rod in concrete found at a fence corner on the North line of the Blunt Sessums Survey, Abstract No. 733, Harris County, Texas and the North Line of that certain 150 foot wide strip of land described by instrument to Houston Lighting & Power Company, recorded in Volume 2379, Page 510 of the deed records of Harris County, Texas for the Southwest corner said Peterson Survey and being the southeast corner of that certain 10.6116 acre tract of land described by deed to Atlantic Richfield Company, tract no. 1, recorded by county clerk's file no. E837116 and in film code 145-14-2565 of the official public records of Harris County, Texas, said iron rod being the southwest corner of the herein described tract; thence along the east line of said 10.6116 acre tract and the west line of said 38.1158 acre tract, North 00 degrees 05 minutes 23 seconds West, 1024.54 feet to a 5/8" iron rod in concrete found on the south right-of-way line of Wallisville Road for the northeast corner of said 10.6116 acre tract and being the northwest corner of the herein described tract; thence along the south right-of-way line of said Wallisville Road the following nine (09) courses and distances:

North 71 degrees 23 minutes 46 seconds East, 1446.61 feet to a 3/4" iron rod; North 71 degrees 24 minutes 30 seconds East, 163.70 feet; South 89 degrees 01 minutes 44 seconds East, 214.55 feet to a 5/8" rebar; North 89 degrees 41 minutes 02 seconds East, 2231.05 feet to a 1/2" rebar; North 89 degrees 36 minutes 48 seconds East, 921.15 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD*

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

degrees 36 minutes 48 seconds East, 203.88 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89 degrees 36 minutes 48 seconds East, 206.14 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89 degrees 41 minutes 18 seconds East, 584.94 feet to a 5/8" rebar;

Thence leaving said right-of-way South 00 degrees 18 minutes 42 seconds East, 99.97 feet to a 5/8" rebar; North 89 degrees 41 minutes 18 seconds East, 75.00 feet to a 5/8" rebar; North 00 degrees 18 minutes 42 seconds West, 99.98 feet to a 5/8" rebar on the south right-of-way line of said Wallisville Road; thence along the south right-of-way line of Wallisville Road North 89 degrees 41 minutes 18 seconds East, 338.72 feet to a 1/2" rebar; thence leaving said right-of-way line South 01 degrees 01 minutes 32 seconds East, 793.86 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; thence South 88 degrees 58 minutes 28 seconds West, 1775.98 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; thence South 88 degrees 58 minutes 28 seconds 208.35 feet; thence South 42 degrees 55 minutes 25 seconds West, 516.84 feet to a 5/8" rebar; thence North 00 degrees 22 minutes 43 seconds West, 169.72 feet to a 1/2" rebar; thence South 89 degrees 39 minutes 26 seconds West, 257.03 feet to a 1/2" rebar; thence North 89 degrees 52 minutes 44 seconds West, 440.83 feet to a 1/2" rebar; thence South 00 degrees 07 minutes 06 seconds East, 228.53 feet to a 1/2" rebar; thence South 89 degrees 39 minutes 38 seconds West, 380.99 feet to a 5/8" rebar with cap "M. Feldbusch TX LS 5213"; thence South 24 degrees 37 minutes 00 seconds West, 269.61 feet to a 5/8" rebar; thence South 89 degrees 03 minutes 02 seconds West, 1190.05 feet to a 1/2" rebar; thence South 89 degrees 02 minutes 23 seconds West, 442.50 feet to a 5/8" rebar with cap "M. Feldbusch TX LS 5213"; thence South 89 degrees 02 minutes 52 seconds West, 1153.51 feet to the point of beginning. In all being 163.32 acres more or less.

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0480680000034

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address:				Legal Description: TR 1F-2 (IMPS*0480680000037) ABST 1530 A PETERSON					
LYONDELL CHEMICAL ATTN TAX DEPT PO BOX 3646 HOUSTON TX 77253-3646				Property Address: 17402 WALLISVILLE RD CHANNELVIEW TX 77049					
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
F2 -- Real, Industrial	8000 -- Land Neighborhood General Assignment	E	0	3,024,967 SF	0	0	9232	6060A	458Q

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	05/12/2017	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD		Not Certified	1.396000	
	040	HARRIS COUNTY		Not Certified	0.416560	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.028290	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.013340	
	043	HARRIS CO HOSP DIST		Not Certified	0.171790	
	044	HARRIS CO EDUC DEPT		Not Certified	0.005200	
	047	SAN JACINTO COM COL D		Not Certified	0.182379	
	667	HC EMERG SERV DIST 50		Not Certified	0.049700	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	604,994		Land	604,994	
Improvement	130,860		Improvement	130,860	
Total	735,854	735,854	Total	735,854	735,854

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4416	AC	69.4437	1.00	1.00	0.80	--	0.80	10,890.00	8,712.00	604,994.00

Building

Vacant (No Building Data)

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
048068000001

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address:				Legal Description:					
EQUISTAR CHEMICALS LP % PROPERTY TAX DEPT PO BOX 3646 HOUSTON TX 77253-3646				TR 1C ABST 1530 A PETERSON 18000 WALLISVILLE RD CHANNELVIEW TX 77049					
Property Address:									
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
C2 -- Real, Vacant Commercial	8000 -- Land Neighborhood General Assignment	E	0	671,259 SF	0	0	9232	6060A	458R

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	04/07/2017	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD		Not Certified	1.396000	
	040	HARRIS COUNTY		Not Certified	0.416560	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.028290	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.013340	
	043	HARRIS CO HOSP DIST		Not Certified	0.171790	
	044	HARRIS CO EDUC DEPT		Not Certified	0.005200	
	047	SAN JACINTO COM COL D		Not Certified	0.182379	
	667	HC EMERG SERV DIST 50		Not Certified	0.049700	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	134,252		Land	134,252	
Improvement	0		Improvement	0	
Total	134,252	134,252	Total	134,252	134,252

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4400	AC	15.4100	1.00	1.00	0.80	--	0.80	10,890.00	8,712.00	134,252.00

Building

Vacant (No Building Data)

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0480680000002

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address:				Legal Description:					
LYONDELL CHEMICAL ATTN TAX DEPT PO BOX 3646 HOUSTON TX 77253-3646				TR 1D & 1E ABST 1530 A PETERSON 0 WALLISVILLE RD CHANNELVIEW TX 77049					
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
C2 -- Real, Vacant Commercial	8000 -- Land Neighborhood General Assignment	E	0	180,469 SF	0	0	9232	6060A	458Q

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	05/12/2017	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD		Not Certified	1.396000	
	040	HARRIS COUNTY		Not Certified	0.416560	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.028290	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.013340	
	043	HARRIS CO HOSP DIST		Not Certified	0.171790	
	044	HARRIS CO EDUC DEPT		Not Certified	0.005200	
	047	SAN JACINTO COM COL D		Not Certified	0.182379	
	667	HC EMERG SERV DIST 50		Not Certified	0.049700	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	36,094		Land	36,094	
Improvement	0		Improvement	0	
Total	36,094	36,094	Total	36,094	36,094

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4400	SF	180,469	1.00	1.00	0.80	Shape or Size	0.80	0.25	0.20	36,094.00

Building

Vacant (No Building Data)

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0480680000021

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address: MISSOURI PACIFIC RAILROAD COMPANY UNION PACIFIC RAILROAD CO 1400 DOUGLAS ST STOP 1640 OMAHA NE 68179-1640					Legal Description: TR R40 CHANNELVIEW SPUR (HNS) ABST 1530 A PETERSON Property Address: 0 WALLISVILLE RD CHANNELVIEW TX 77049				
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
15 -- Railroads	8000 -- Land Neighborhood General Assignment	E	0	199,505 SF	0	0	9231	6060C	458Q

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	04/21/2017	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD		Not Certified	1.396000	
	040	HARRIS COUNTY		Not Certified	0.416560	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.028290	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.013340	
	043	HARRIS CO HOSP DIST		Not Certified	0.171790	
	044	HARRIS CO EDUC DEPT		Not Certified	0.005200	
	047	SAN JACINTO COM COL D		Not Certified	0.182379	
	667	HC EMERG SERV DIST 50		Not Certified	0.049700	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	0		Land	7,980	
Improvement	0		Improvement	0	
Total	0	0	Total	7,980	7,980

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4762	SF	199,505	1.00	1.00	0.10	Restr or Non-Conf	0.10	0.40	0.04	7,980.00

Building

Vacant (No Building Data)

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0420910000002

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address: EQUISTAR CHEMICALS LP % PROPERTY TAX DEPT PO BOX 3646 HOUSTON TX 77253-3646					Legal Description: TRS 2 & 9 ABST 232 P J DUNCAN Property Address: 0 WALLISVILLE RD CHANNELVIEW TX 77049				
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
C2 -- Real, Vacant Commercial	8000 -- Land Neighborhood General Assignment	E	0	3,066,624 SF	0	0	9232	6060A	458R

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	04/07/2017	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD		Not Certified	1.396000	
	040	HARRIS COUNTY		Not Certified	0.416560	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.028290	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.013340	
	043	HARRIS CO HOSP DIST		Not Certified	0.171790	
	044	HARRIS CO EDUC DEPT		Not Certified	0.005200	
	047	SAN JACINTO COM COL D		Not Certified	0.182379	
	667	HC EMERG SERV DIST 50		Not Certified	0.049700	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	613,325		Land	613,325	
Improvement	0		Improvement	0	
Total	613,325	613,325	Total	613,325	613,325

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4400	AC	70.4000	1.00	1.00	0.80	--	0.80	10,890.00	8,712.00	613,325.00

Building

Vacant (No Building Data)

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0420910000025

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address:				Legal Description:					
EQUISTAR CHEMICALS LP % PROPERTY TAX DEPT PO BOX 3646 HOUSTON TX 77253-3646				TR 6 ABST 232 P J DUNCAN 0 WALLISVILLE RD CHANNELVIEW TX 77530					
Property Address:									
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
F2 -- Real, Industrial	8000 -- Land Neighborhood General Assignment	E	0	6,450,364 SF	0	0	9232	6060D	459S

Value Status Information

Value Status	Notice Date	Hearing Status	Shared CAD
Noticed	4/7/2017	Protest Received	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD		Not Certified	1.396000	
	040	HARRIS COUNTY		Not Certified	0.416560	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.028290	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.013340	
	043	HARRIS CO HOSP DIST		Not Certified	0.171790	
	044	HARRIS CO EDUC DEPT		Not Certified	0.005200	
	047	SAN JACINTO COM COL D		Not Certified	0.182379	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	1,290,073		Land	1,290,073	
Improvement	5,037,500		Improvement	4,986,300	
Total	6,327,573	6,327,573	Total	6,276,373	6,276,373

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4416	AC	148.0800	1.00	1.00	0.80	--	0.80	10,890.00	8,712.00	1,290,073.00

Building

Vacant (No Building Data)

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0480680000035

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address:				Legal Description:					
LYONDELL CHEMICAL CO ATTN TAX DEPT PO BOX 3646 HOUSTON TX 77253-3646				TR 1D-1 ABST 1530 A PETERSON					
				Property Address:					
0 WALLISVILLE RD CHANNELVIEW TX 77049									
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
C2 -- Real, Vacant Commercial	8000 -- Land Neighborhood General Assignment		0	71,874 SF	0	0	9231	6060A	458Q

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	05/12/2017	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD		Not Certified	1.396000	
	040	HARRIS COUNTY		Not Certified	0.416560	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.028290	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.013340	
	043	HARRIS CO HOSP DIST		Not Certified	0.171790	
	044	HARRIS CO EDUC DEPT		Not Certified	0.005200	
	047	SAN JACINTO COM COL D		Not Certified	0.182379	
	667	HC EMERG SERV DIST 50		Not Certified	0.049700	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	14,375		Land	14,375	
Improvement	0		Improvement	0	
Total	14,375	14,375	Total	14,375	14,375

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4400	SF	71,874	1.00	1.00	0.80	Shape or Size	0.80	0.25	0.20	14,375.00

Building

Vacant (No Building Data)

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0480680000005

Tax Year: 2017



Owner and Property Information									
Owner Name & Mailing Address: CENTERPOINT ENERGY HOU ELE PROPERTY TAX DEPT 38TH FLR PO BOX 1475 HOUSTON TX 77251-1475					Legal Description: TR 1A ABST 1530 A PETERSON Property Address: 0 WALLISVILLE RD CHANNELVIEW TX 77049				
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
J3 -- Electric Companies	8000 -- Land Neighborhood General Assignment	E	0	305,573 SF	0	0	9231	6060A	458R

Value Status Information

Value Status	Shared CAD
All Values Pending	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2016 Rate	2017 Rate
None	006	CHANNELVIEW ISD	Pending	Pending	1.396000	
	040	HARRIS COUNTY	Pending	Pending	0.416560	
	041	HARRIS CO FLOOD CNTRL	Pending	Pending	0.028290	
	042	PORT OF HOUSTON AUTHY	Pending	Pending	0.013340	
	043	HARRIS CO HOSP DIST	Pending	Pending	0.171790	
	044	HARRIS CO EDUC DEPT	Pending	Pending	0.005200	
	047	SAN JACINTO COM COL D	Pending	Pending	0.182379	
	667	HC EMERG SERV DIST 50	Pending	Pending	0.049700	

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Valuations

Value as of January 1, 2016			Value as of January 1, 2017		
	Market	Appraised		Market	Appraised
Land	48,892		Land		
Improvement	0		Improvement		
Total	48,892	48,892	Total	Pending	Pending

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4752	SF	305,573	1.00	1.00	0.80	Shape or Size	0.80	Pending	Pending	Pending

Building

Vacant (No Building Data)

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 10

Description of all property not eligible to become qualified property (if applicable)

HCAD account number 048-068-000-0034 property improvements includes two derelict buildings, tanks, rail spur tracks, and dirt roads. These improvements are valued by HCAD at \$130,860 as of January 1, 2017. All of this existing property will be demolished as part of the construction project.

HCAD account number 048-068-000-0021 is owned by Missouri Pacific Railroad which has railroad tracks on its land. Although this land is included in the reinvestment zone, LCC will not construct any new improvements on this land parcel and the existing railroad tracks are not eligible to become qualified property.

HCAD account number 042-091-000-0025 is owned by Equistar Chemicals, LP, a subsidiary of LyondellBasell Industries N.V., the parent company of Lyondell Chemical Company. Improvements on this property account include an employee recreation facility, athletic field, docks, and roads. The employee recreation center and athletic field is valued by HCAD at \$132,530 as of January 1, 2016. January 1, 2017 values have not been determined as of the date of application filing. The dock improvements are not included in the reinvestment zone. All of this property will remain and none of it is eligible to become qualified property.

HCAD account number 048-068-000-005 is owned by Centerpoint Energy and includes electrical transmission lines. Although this land is included in the reinvestment zone, LCC will not construct any new improvements on this land parcel and the existing electrical transmission lines are not eligible to become qualified property.

Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

HCAD ACCOUNT	OWNER	ALL OR PART IN RZ*	HCAD LAND VALUE	HCAD IMPROVEMENT VALUE	EXISTING IMPROVEMENTS	DISPOSITION OF EXISTING IMPROVEMENTS
048-068-000-0034	LYONDELL CHEMICAL COMPANY	ALL	\$604,994	\$130,860	DERELICT BUILDINGS, ROADS, TANKS, RAIL SPUR	ALL WILL BE DEMOLISHED AS PART OF THE PROJECT
048-068-000-0001	EQUISTAR CHEMICALS LP	ALL	\$134,252	\$0	NONE	NOT APPLICABLE
048-068-000-0002	LYONDELL CHEMICAL COMPANY	ALL	\$36,094	\$0	NONE	NOT APPLICABLE
048-068-000-0021	MISSOURI PACIFIC RAILROAD	ALL	\$7,980	\$0	RAILROAD TRACKS	NONE
042-091-000-0002	EQUISTAR CHEMICALS, LP	PART	\$613,325	\$0	NONE	NOT APPLICABLE
042-091-000-0025	EQUISTAR CHEMICALS, LP	PART	\$1,290,703	\$4,986,300	RECREATION CENTER, DOCKS, ATHLETIC FIELD	NONE
048-068-000-0035	LYONDELL CHEMICAL COMPANY	ALL	\$14,375	\$0	NONE	NOT APPLICABLE
048-068-000-0005	CENTERPOINT ENERGY	ALL	\$48,892	\$0	ELECTRIC TRANSMISSION LINES	NONE

TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

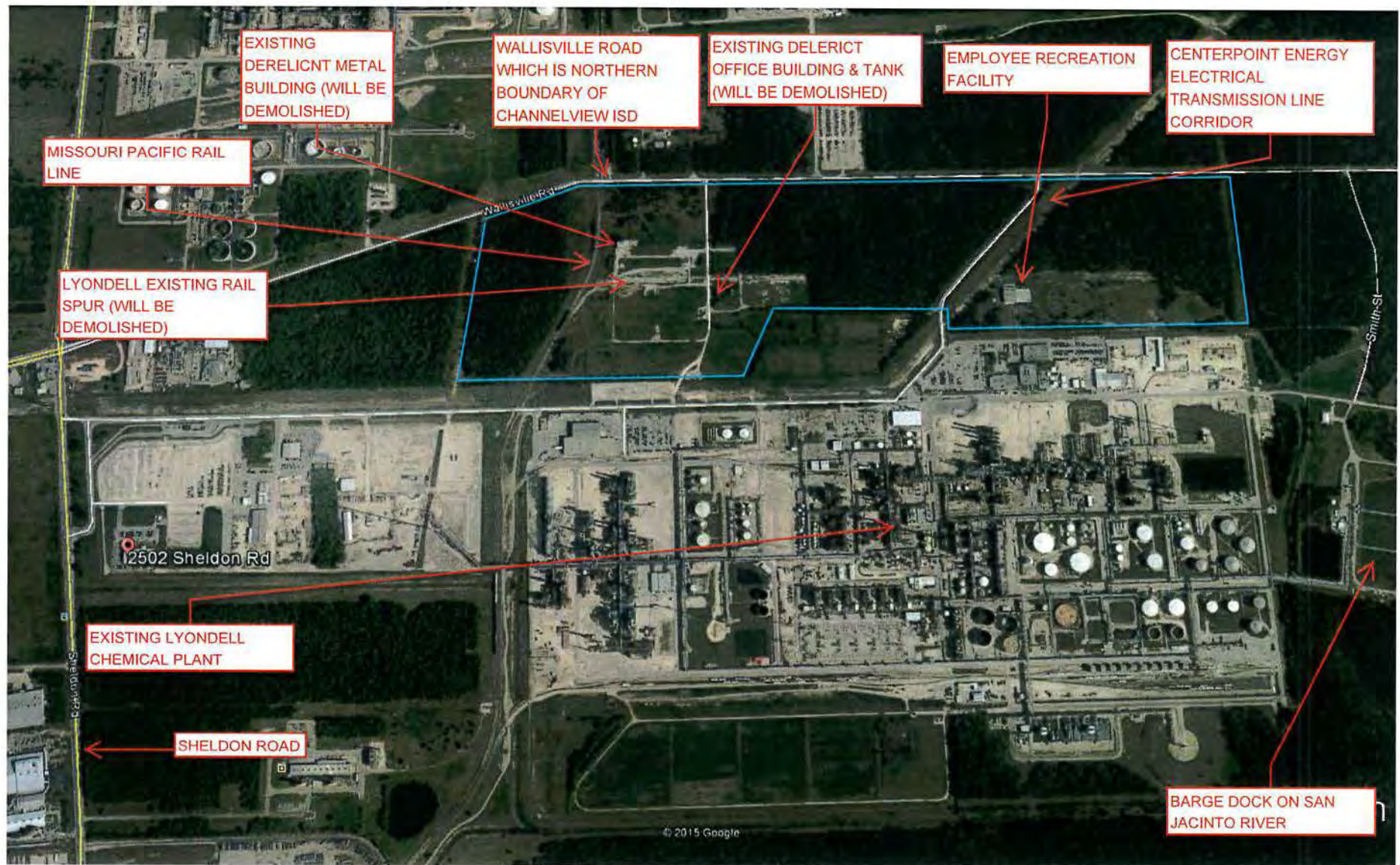
Cummings Westlake, LLC

TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

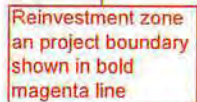
See attached maps.



PROPOSED PROJECT AREA VICINITY HIGHLIGHTED IN BLUE LINE BOUNDARY ABOVE



163.32 Acres±

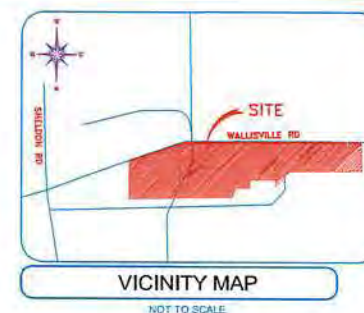
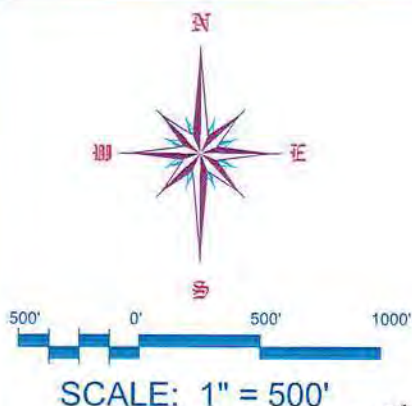


THE PROJECT IS: LYONDELL BASSELL	<u>PROJECT LOCATION:</u> <u>CITY, COUNTY, STATE OF TEXAS</u>
<u>PROJECT ADDRESS:</u> 1525 WALLISVILLE ROAD CHANDLER, TX 77530	<u>PROJECT TYPE:</u> RECONSTRUCTION CONCRETE
1. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND AGENCIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND AGENCIES.	
SHEET 1 OF 1	
JOB NUMBER: 150407-2010-01	

REINVESTMENT ZONE AND PROJECT BOUNDARY MAP

BEING PART OF THE AUGUST PETERSON SURVEY
& THE P.J. DUNCAN SURVEY

163.32 Acres±

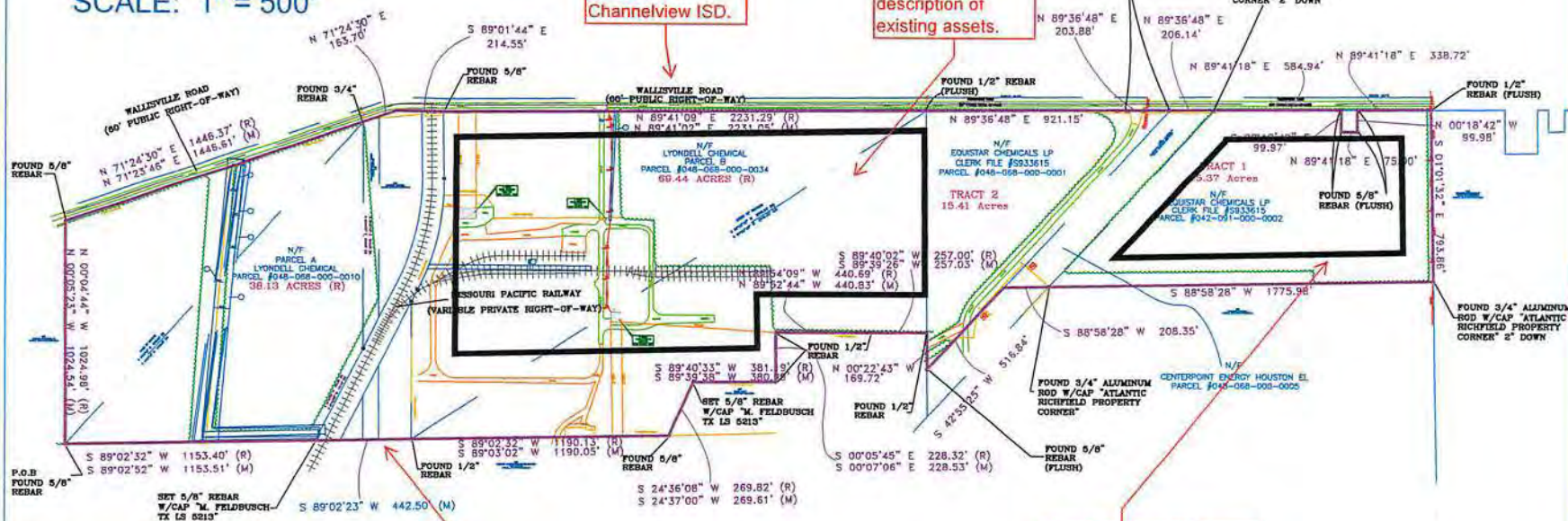


Wallisville Road is northern boundary of Channelview ISD. All of the reinvestment zone is located in Channelview ISD.

Location of proposed qualified property is shown within the area shown with bold black line. Please see Tab 10 for description of existing assets.

Location of proposed qualified property is shown within the area shown with bold black line. This area will be used mainly as a construction staging area.

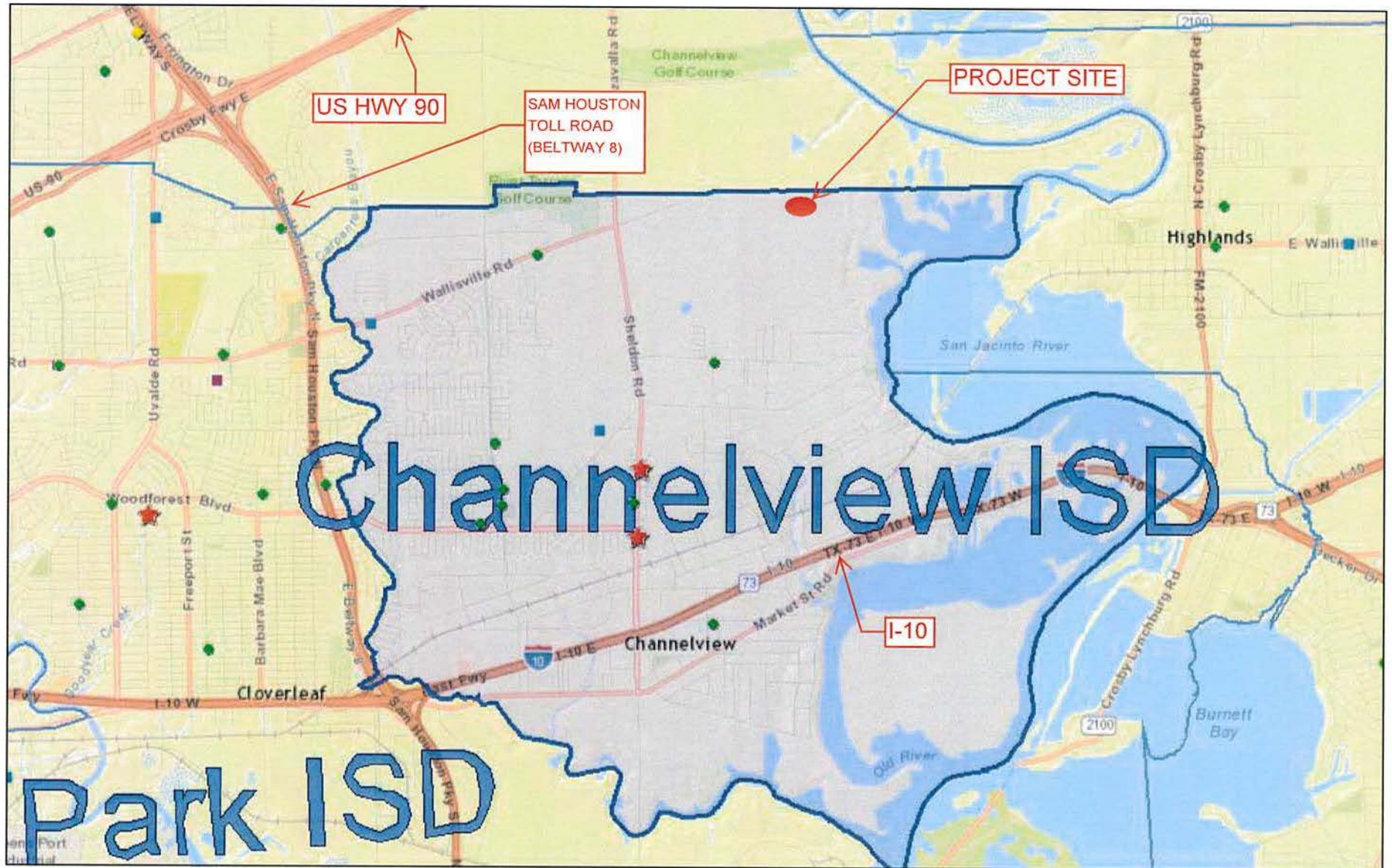
Reinvestment zone and project boundary shown in bold magenta line



For location, quantities or comments about this survey, contact the surveyor or call 1-800-TO-SURVEY ext. 224.
U.S. SURVEYOR®
4820 Riverway Pointe Drive
Evansville, Indiana 47716
"Measurement is our Technology"

PROJECT LOCATION: LYONDELL BASSELL	
PROJECT ADDRESS: WALLISVILLE ROAD CHANNELVIEW, TX 77530	PROJECT TYPE: REINVESTMENT ZONE
SHEET 1 OF 1	

Channelview ISD Vicinity Map



January 17, 2015

Current_Schools

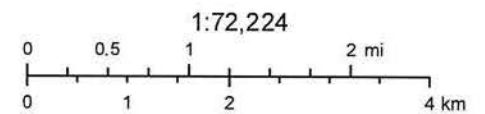
- Elementary School
- Middle School

- Junior High School
- ★ High School

- ◆ Academy/Charter School
- DistrictsAnnotation

Texas_Outline

Current_Districts



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand),

Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

TAB 12

*Request for Waiver of Job Creation Requirement and supporting information
(if applicable)*

Not applicable. There is no job waiver request.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

- *Harris County average weekly wage for all jobs (all industries)*
- *Harris County average weekly wage for all jobs (manufacturing)*
- *Council of Governments Regional Wage Calculation and Documentation*

See attachments.

LYONDELL CHEMICAL COMPANY
TAB 13 TO CHAPTER 313 APPLICATION

CHANNELVIEW ISD - HARRIS COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2016	\$ 1,423.00	\$ 73,996.00
SECOND	2016	\$ 1,252.00	\$ 65,104.00
THIRD	2016	\$ 1,282.00	\$ 66,664.00
FOURTH	2016	\$ 1,344.00	\$ 69,888.00
AVERAGE		\$ 1,325.25	\$ 68,913.00

CHANNELVIEW ISD - HARRIS COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2016	\$ 1,676.00	\$ 87,152.00
SECOND	2016	\$ 1,533.00	\$ 79,716.00
THIRD	2016	\$ 1,578.00	\$ 82,056.00
FOURTH	2016	\$ 1,652.00	\$ 85,904.00
AVERAGE		\$ 1,609.75	\$ 83,707.00
X		110%	110%
		\$ 1,770.73	\$ 92,077.70

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Houston - Galveston	2015	\$ 1,057	\$ 54,985
X		110%	110%
		\$ 1,163.14	\$ 60,483.50

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2016	1st Qtr	Harris County	Private	00	0	10	Total, All Industries	\$1,423
2016	2nd Qtr	Harris County	Private	00	0	10	Total, All Industries	\$1,252
2016	3rd Qtr	Harris County	Private	00	0	10	Total, All Industries	\$1,282
2016	4th Qtr	Harris County	Private	00	0	10	Total, All Industries	\$1,344

Quarterly Employment and Wages (QCEW)

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▲▼ Year	▲▼ Period	▲▼ Area	▲▼ Ownership	▲▼ Division	▲▼ Level	▲▼ Ind Code	▲▼ Industry	▲▼ Avg Weekly Wages
2016	1st Qtr	Harris County	Private	31	2	31-33	Manufacturing	\$1,676
2016	2nd Qtr	Harris County	Private	31	2	31-33	Manufacturing	\$1,533
2016	3rd Qtr	Harris County	Private	31	2	31-33	Manufacturing	\$1,578
2016	4th Qtr	Harris County	Private	31	2	31-33	Manufacturing	\$1,652

2015 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.41	\$50,778
1. Panhandle Regional Planning Commission	\$20.64	\$42,941
2. South Plains Association of Governments	\$17.50	\$36,408
3. NORTEX Regional Planning Commission	\$23.28	\$48,413
4. North Central Texas Council of Governments	\$25.03	\$52,068
5. Ark-Tex Council of Governments	\$18.46	\$38,398
6. East Texas Council of Governments	\$19.84	\$41,270
7. West Central Texas Council of Governments	\$19.84	\$41,257
8. Rio Grande Council of Governments	\$18.32	\$38,109
9. Permian Basin Regional Planning Commission	\$25.18	\$52,382
10. Concho Valley Council of Governments	\$18.80	\$39,106
11. Heart of Texas Council of Governments	\$21.41	\$44,526
12. Capital Area Council of Governments	\$29.98	\$62,363
13. Brazos Valley Council of Governments	\$18.78	\$39,057
14. Deep East Texas Council of Governments	\$17.30	\$35,993
15. South East Texas Regional Planning Commission	\$30.41	\$63,247
16. Houston-Galveston Area Council	\$26.44	\$54,985
17. Golden Crescent Regional Planning Commission	\$23.73	\$49,361
18. Alamo Area Council of Governments	\$19.96	\$41,516
19. South Texas Development Council	\$15.87	\$33,016
20. Coastal Bend Council of Governments	\$25.97	\$54,008
21. Lower Rio Grande Valley Development Council	\$16.17	\$33,634
22. Texoma Council of Governments	\$19.04	\$39,595
23. Central Texas Council of Governments	\$18.04	\$37,533
24. Middle Rio Grande Development Council	\$22.24	\$46,263

Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D.

Date

6/20/2017

Applicant Name

Lyondell Chemical Company

ISD Name

Channelview ISD

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--			Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application		2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period		2018-2019	2018	\$ 297,600,000	\$ 15,663,000	\$ -	\$ -	\$ 313,263,000
Complete tax years of qualifying time period	QTP1	2019-2020	2019	\$ 446,400,000	\$ 23,495,000	\$ -	\$ -	\$ 469,895,000
	QTP2	2020-2021	2020	\$ 446,400,000	\$ 23,495,000	\$ -	\$ -	\$ 469,895,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 1,190,400,000	\$ 62,653,000	\$ -	\$ -	\$ 1,253,053,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)								
				\$ 1,253,053,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE}	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$1,190,400,000	\$62,653,000	\$-	\$-	\$1,253,053,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$-	\$-	\$-	\$-	\$-
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$-	\$-	\$-	\$-	\$-
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$-	\$-	\$-	\$-	\$-
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$-	\$-	\$-	\$-	\$-
Value limitation period***	1	2021-2022	2021	\$223,200,000	\$11,747,000	\$-	\$-	\$234,947,000
	2	2022-2023	2022	\$-	\$-	\$-	\$-	\$-
	3	2023-2024	2023	\$-	\$-	\$-	\$-	\$-
	4	2024-2025	2024	\$-	\$-	\$-	\$-	\$-
	5	2025-2026	2025	\$-	\$-	\$-	\$-	\$-
	6	2026-2027	2026	\$-	\$-	\$-	\$-	\$-
	7	2027-2028	2027	\$-	\$-	\$-	\$-	\$-
	8	2028-2029	2028	\$-	\$-	\$-	\$-	\$-
	9	2029-2030	2029	\$-	\$-	\$-	\$-	\$-
	10	2030-2031	2030	\$-	\$-	\$-	\$-	\$-
Total Investment made through limitation				\$1,413,600,000	\$74,400,000	\$-	\$-	\$1,488,000,000
Continue to maintain viable presence	11	2031-2032	2031			\$-		\$-
	12	2032-2033	2032			\$-		\$-
	13	2033-2034	2033			\$-		\$-
	14	2034-2035	2034			\$-		\$-
	15	2035-2036	2035			\$-		\$-
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036			\$-		\$-
	17	2037-2038	2037			\$-		\$-
	18	2038-2039	2038			\$-		\$-
	19	2039-2040	2039			\$-		\$-
	20	2040-2041	2040			\$-		\$-
	21	2041-2042	2041			\$-		\$-
	22	2042-2043	2042			\$-		\$-
	23	2043-2044	2043			\$-		\$-
	24	2044-2045	2044			\$-		\$-
	25	2045-2046	2045			\$-		\$-

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

Applicant Name

ISD Name

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$ 1,401,462	\$ -	\$ -	\$ 1,401,462	\$ 1,401,462	\$ 1,401,462
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$ 1,401,462	\$ -	\$ -	\$ 1,401,462	\$ 1,401,462	\$ 1,401,462
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$ 1,401,462	\$ 7,832,000	\$ 148,800,000	\$ 148,635,562	\$ 148,635,562	\$ 148,635,562
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$ 1,401,462	\$ 19,579,000	\$ 372,000,000	\$ 369,485,762	\$ 369,485,762	\$ 369,485,762
Value Limitation Period	1	2021-2022	2021	\$ 1,401,462	\$ 52,760,000	\$ 1,002,442,000	\$ 993,291,362	\$ 993,291,362	\$ 80,000,000
	2	2022-2023	2022	\$ 1,401,462	\$ 74,400,000	\$ 1,413,600,000	\$ 1,400,121,462	\$ 1,400,121,462	\$ 80,000,000
	3	2023-2024	2023	\$ 1,401,462	\$ 72,168,000	\$ 1,371,192,000	\$ 1,358,159,862	\$ 1,358,159,862	\$ 80,000,000
	4	2024-2025	2024	\$ 1,401,462	\$ 70,003,000	\$ 1,330,056,000	\$ 1,317,456,962	\$ 1,317,456,962	\$ 80,000,000
	5	2025-2026	2025	\$ 1,401,462	\$ 67,903,000	\$ 1,290,154,000	\$ 1,277,975,062	\$ 1,277,975,062	\$ 80,000,000
	6	2026-2027	2026	\$ 1,401,462	\$ 65,866,000	\$ 1,251,449,000	\$ 1,239,677,562	\$ 1,239,677,562	\$ 80,000,000
	7	2027-2028	2027	\$ 1,401,462	\$ 63,890,000	\$ 1,213,906,000	\$ 1,202,529,662	\$ 1,202,529,662	\$ 80,000,000
	8	2028-2029	2028	\$ 1,401,462	\$ 61,973,000	\$ 1,177,489,000	\$ 1,166,495,762	\$ 1,166,495,762	\$ 80,000,000
	9	2029-2030	2029	\$ 1,401,462	\$ 60,114,000	\$ 1,142,164,000	\$ 1,131,542,762	\$ 1,131,542,762	\$ 80,000,000
	10	2030-2031	2030	\$ 1,401,462	\$ 58,311,000	\$ 1,107,899,000	\$ 1,097,638,862	\$ 1,097,638,862	\$ 80,000,000
Continue to maintain viable presence	11	2031-2032	2031	\$ 1,401,462	\$ 56,562,000	\$ 1,074,662,000	\$ 1,064,752,062	\$ 1,064,752,062	\$ 1,064,752,062
	12	2032-2033	2032	\$ 1,401,462	\$ 54,865,000	\$ 1,042,422,000	\$ 1,032,851,262	\$ 1,032,851,262	\$ 1,032,851,262
	13	2033-2034	2033	\$ 1,401,462	\$ 53,219,000	\$ 1,011,149,000	\$ 1,001,907,362	\$ 1,001,907,362	\$ 1,001,907,362
	14	2034-2035	2034	\$ 1,401,462	\$ 51,622,000	\$ 980,815,000	\$ 971,892,262	\$ 971,892,262	\$ 971,892,262
	15	2035-2036	2035	\$ 1,401,462	\$ 50,073,000	\$ 951,391,000	\$ 942,777,662	\$ 942,777,662	\$ 942,777,662
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	\$ 1,401,462	\$ 48,571,000	\$ 922,849,000	\$ 914,536,262	\$ 914,536,262	\$ 914,536,262
	17	2037-2038	2037	\$ 1,401,462	\$ 47,114,000	\$ 895,164,000	\$ 887,142,762	\$ 887,142,762	\$ 887,142,762
	18	2038-2039	2038	\$ 1,401,462	\$ 45,701,000	\$ 868,309,000	\$ 860,570,862	\$ 860,570,862	\$ 860,570,862
	19	2039-2040	2039	\$ 1,401,462	\$ 44,330,000	\$ 842,260,000	\$ 834,796,062	\$ 834,796,062	\$ 834,796,062
	20	2040-2041	2040	\$ 1,401,462	\$ 43,000,000	\$ 816,992,000	\$ 809,793,962	\$ 809,793,962	\$ 809,793,962
	21	2041-2042	2041	\$ 1,401,462	\$ 41,710,000	\$ 792,482,000	\$ 785,541,962	\$ 785,541,962	\$ 785,541,962
	22	2042-2043	2042	\$ 1,401,462	\$ 40,459,000	\$ 768,708,000	\$ 762,018,462	\$ 762,018,462	\$ 762,018,462
	23	2043-2044	2043	\$ 1,401,462	\$ 39,245,000	\$ 745,647,000	\$ 739,199,962	\$ 739,199,962	\$ 739,199,962
	24	2044-2045	2044	\$ 1,401,462	\$ 38,068,000	\$ 723,278,000	\$ 717,066,662	\$ 717,066,662	\$ 717,066,662
	25	2045-2046	2045	\$ 1,401,462	\$ 36,926,000	\$ 701,580,000	\$ 695,597,062	\$ 696,998,524	\$ 696,998,524

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	All Jobs Are FTE Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>		2017-2018	2017	-	\$ -	0	0	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>		2018-2019	2018	200	\$ 69,600	0	0	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>		2019-2020	2019	450	\$ 73,700	0	0	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	800	\$ 77,400	0	25	\$ 65,000
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021	1,300	\$ 77,400	0	80	\$ 65,000
	2	2022-2023	2022	0	\$ -	0	80	\$ 65,000
	3	2023-2024	2023	0	\$ -	0	80	\$ 65,000
	4	2024-2025	2024	0	\$ -	0	80	\$ 65,000
	5	2025-2026	2025	0	\$ -	0	80	\$ 65,000
	6	2026-2027	2026	0	\$ -	0	80	\$ 65,000
	7	2027-2028	2027	0	\$ -	0	80	\$ 65,000
	8	2028-2029	2028	0	\$ -	0	80	\$ 65,000
	9	2029-2030	2029	0	\$ -	0	80	\$ 65,000
	10	2030-2031	2030	0	\$ -	0	80	\$ 65,000
Years Following Value Limitation Period	11 through 25	2031-2046	2031-2045	0	\$ -	0	80	\$ 65,000

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions: '

☐

Yes

☒

No

C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

☐

Yes

☒

No

C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

☐

Yes

☒

No

Schedule D: Other Incentives (Estimated)

Date

6/20/2017'

Applicant Name:

Lyondell Chemical Company

Form 50-296A

ISD Name

Channelview ISD

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	City:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Other:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Tax Code Chapter 312	County:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	City:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Other:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Local Government Code Chapters 380/381	County:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	City:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Other:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Freeport Exemptions	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Non-Annexation Agreements	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Enterprise Zone/Project	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Economic Development Corporation	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Texas Enterprise Fund	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Employee Recruitment	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Skills Development Fund	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Training Facility Space and Equipment	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Infrastructure Incentives	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Permitting Assistance	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Other:	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Other:	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Other:	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
Other:	Not Applicable	Not Applicable	Not Applicable		Not Applicable	
TOTAL				0	0	0

Additional information on incentives for this project:

Not applicable

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

See attached reinvestment zone information. The Board of Trustees of Channelview ISD created the reinvestment zone on June 7, 2016 and the board minutes of that meeting are attached. No guidelines and criteria are required for Channelview ISD's Board of Trustees to create the reinvestment zone.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

REINVESTMENT ZONE LEGAL DESCRIPTION

Legal description of land: being 107.5767 acres of land out of the August Peterson Survey, Abstract No. 1530, Harris County, Texas and being comprised of that certain 38.1330 acre tract of land described as 38.1158 acres by tract one and being 69.4437 acres out of that certain 78.3746 acre tract of land described as 78.486 acres by tract two in general warranty deed to EXXON CORPORATION, recorded by County Clerk's File No. L440853 and in Film Code 198-37-1410 of the official public records of Harris County, Texas. Bearings sited herein are based on the description of said 38.1158 acre tract.

Also being a tract of land in the A. Peterson Survey, Abstract No. 1530, Harris County, Texas and being a portion of that land sold to Atlantic Richfield Company as described in deed recorded under Harris County Clerk's File No. E 238690.

Also being a tract of land in the P.J. Duncan Survey, Abstract No. 232, Harris County, Texas and a being more particularly described by metes and bounds as follows:

Beginning at a 5/8" iron rod in concrete found at a fence corner on the North line of the Blunt Sessums Survey, Abstract No. 733, Harris County, Texas and the North Line of that certain 150 foot wide strip of land described by instrument to Houston Lighting & Power Company, recorded in Volume 2379, Page 510 of the deed records of Harris County, Texas for the Southwest corner said Peterson Survey and being the southeast corner of that certain 10.6116 acre tract of land described by deed to Atlantic Richfield Company, tract no. 1, recorded by county clerk's file no. E837116 and in film code 145-14-2565 of the official public records of Harris County, Texas, said iron rod being the southwest corner of the herein described tract; thence along the east line of said 10.6116 acre tract and the west line of said 38.1158 acre tract, North 00 degrees 05 minutes 23 seconds West, 1024.54 feet to a 5/8" iron rod in concrete found on the south right-of-way line of Wallisville Road for the northeast corner of said 10.6116 acre tract and being the northwest corner of the herein described tract; thence along the south right-of-way line of said Wallisville Road the following nine (09) courses and distances:

North 71 degrees 23 minutes 46 seconds East, 1446.61 feet to a 3/4" iron rod; North 71 degrees 24 minutes 30 seconds East, 163.70 feet; South 89 degrees 01 minutes 44 seconds East, 214.55 feet to a 5/8" rebar; North 89 degrees 41 minutes 02 seconds East, 2231.05 feet to a 1/2" rebar; North 89 degrees 36 minutes 48 seconds East, 921.15 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

degrees 36 minutes 48 seconds East, 203.88 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89 degrees 36 minutes 48 seconds East, 206.14 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89 degrees 41 minutes 18 seconds East, 584.94 feet to a 5/8" rebar;

Thence leaving said right-of-way South 00 degrees 18 minutes 42 seconds East, 99.97 feet to a 5/8" rebar; North 89 degrees 41 minutes 18 seconds East, 75.00 feet to a 5/8" rebar; North 00 degrees 18 minutes 42 seconds West, 99.98 feet to a 5/8" rebar on the south right-of-way line of said Wallisville Road; thence along the south right-of-way line of Wallisville Road North 89 degrees 41 minutes 18 seconds East, 338.72 feet to a 1/2" rebar; thence leaving said right-of-way line South 01 degrees 01 minutes 32 seconds East, 793.86 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; thence South 88 degrees 58 minutes 28 seconds West, 1775.98 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; thence South 88 degrees 58 minutes 28 seconds 208.35 feet; thence South 42 degrees 55 minutes 25 seconds West, 516.84 feet to a 5/8" rebar; thence North 00 degrees 22 minutes 43 seconds West, 169.72 feet to a 1/2" rebar; thence South 89 degrees 39 minutes 26 seconds West, 257.03 feet to a 1/2" rebar; thence North 89 degrees 52 minutes 44 seconds West, 440.83 feet to a 1/2" rebar; thence South 00 degrees 07 minutes 06 seconds East, 228.53 feet to a 1/2" rebar; thence South 89 degrees 39 minutes 38 seconds West, 380.99 feet to a 5/8" rebar with cap "M. Feldbusch TX LS 5213"; thence South 24 degrees 37 minutes 00 seconds West, 269.61 feet to a 5/8" rebar; thence South 89 degrees 03 minutes 02 seconds West, 1190.05 feet to a 1/2" rebar; thence South 89 degrees 02 minutes 23 seconds West, 442.50 feet to a 5/8" rebar with cap "M. Feldbusch TX LS 5213"; thence South 89 degrees 02 minutes 52 seconds West, 1153.51 feet to the point of beginning. In all being 163.32 acres more or less.

**CALLED MEETING
CHANNELVIEW ISD SCHOOL BOARD**

June 7, 2016

7:00 p.m.

PURPOSE	The Board of Trustees of the Channelview Independent School District met for a called meeting in the Boardroom of the administration building.
MEMBERS PRESENT	Members present: J. Kyle Campbell, President (Departed at 7:35 pm) Steven Dennis, Vice President Raquel Dobbins, Secretary Patrick Lacy, Parliamentarian Keith Liggett, Member
MEMBERS ABSENT	Members absent: Greg Johnstone, Member; Alex Ybarra, Member
STAFF PRESENT	Staff present: Mr. Greg Ollis, Mr. Kris Lynn, Mr. Mike Niemeyer, Dr. Don Beck, Darcy Blackstock, Lt. Kapchinskier, Gloria Roach, Kay Kerr, Gina Hullum
VISITORS PRESENT	Visitors present: Dan Casey, Kirk Michael Moore, Alex Evans, Matthew Hullum, Calvin Hullum
OPEN FORUM	The Board did not receive any requests for public comments from the audience.
BOARD OF TRUSTEES REPORT	Mrs. Dobbins announced the regular board meeting on June 21, 2016; the board is attending the TASB Summer Leadership Institute June 15-18. Mr. Dennis recognized the Boy Scouts in attendance.
RECUSAL	Mr. Campbell recused himself from the meeting due to his employment at LyondellBasell at 7:05 pm. Mr. Steven Dennis, Vice President, assumed the chair.
PUBLIC HEARING CREATION OF LYONDELL CHEMICAL REINVESTMENT ZONE PURSUANT TO TEXAS TAX CODE §312.0025	There were no requests from the audience.
PUBLIC HEARING ON THE APPLICATION OF LYONDELL CHEMICAL FOR AN APPRAISED VALUE LIMITATION AND QUALIFIED PROPERTY, PURSUANT TO CHAPTER 313 OF THE TEXAS PROPERTY TAX CODE	There were no requests from the audience.

2016-2112
CONSIDER AND
APPROVE CREATION OF
LYONDELL CHEMICAL
REINVESTMENT ZONE
PURSUANT TO TEXAS
TAX CODE §312.0025

Mr. Lacy motioned to approve the creation of Lyondell Chemical Reinvestment Zone pursuant to Texas Tax Code §312.0025. Mr. Liggett seconded the motion. All members were in favor and the motion passed with a 4 0 vote.

2016-2113
CONSIDER AND ADOPT
FINDINGS UNDER THE
TEXAS ECONOMIC
DEVELOPMENT ACT ON
THE APPLICATION OF
LYONDELL CHEMICAL
COMPANY,
COMPTROLLER
APPLICATION NO: 1061

Mr. Liggett motioned that it is therefore ordered that the Agreement attached hereto as Attachment G is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ordered that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District. Mr. Lacy seconded the motion. All members were in favor and the motion passed with a 4-0 vote.

2016-2114
CONSIDER AND
APPROVE AGREEMENT
WITH LYONDELL
CHEMICAL COMPANY
FOR COMPTROLLER
APPLICATION NO: 1061,
FOR AN APPRAISED
VALUE LIMITATION ON
QUALIFIED PROPERTY
FOR SCHOOL DISTRICT
MAINTENANCE AND
OPERATIONS TAXES
PURSUANT TO CHAPTER
313 OF THE TEXAS TAX
CODE

Mrs. Dobbins motioned to approve the Agreement with Lyondell Chemical Company for Comptroller Application No: 1061, for an Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes pursuant to Chapter 313 of the Texas Tax Code. Mr. Lacy seconded the motion. All members were in favor and the motion passed with a 4-0 vote.

RECESS

Mr. Dennis called for a recess at 7:45 pm. The meeting resumed at 8:00 pm.

EXECUTIVE SESSION

The Board moved into Executive Session at 8:04 pm as authorized by the Texas Open Meetings Act under sections 551.071 and 551.074 for discussion of personnel. The meeting reconvened into open session at 8:34 pm.

June 7, 2016

2732

2016-2115
EMPLOYMENT OF
PERSONNEL

Mr. Lacy motioned to authorize the Superintendent to offer employment contract as Assistant Principal to Mr. Keon Wortham. Mr. Liggett seconded the motion. Mr. Lacy, Mr. Liggett and Mrs. Dobbins were in favor; Mr. Dennis opposed and the motion passed with a 3-1 vote.

Mr. Lacy motioned to authorize the Superintendent to offer contract for employment to the remaining candidates presented. Mr. Liggett seconded the motion. All members were in favor and the motion passed with a 4-0 vote. Approved candidates: Janelly Alfaro, Kathryn Habluetzel, Brittany Jackson, Quantanique White, Diana DeLeon, Michael Kerr, Abygail Knapp, Lindsay McGill, Yajaira Ortega, Amanda Bijani, Kelsey Evans, Susanne Commons, Kelly Hannemann, Karina Saldana, Jennifer Havens

SENATE BILL 507

After some discussion, the Board determined to take no action on this item.

EXECUTIVE SESSION

The Board moved into Executive Session at 8:58 pm as authorized by the Texas Open Meetings Act under sections 551.071 and 551.072 for discussion of property. The meeting reconvened into open session at 9:36 pm.

POTENTIAL LAND
PURCHASE

The Board determined to take no action on this item.

DISCUSSION OF FUTURE
MEETINGS

The Trustees regular meeting is Tuesday, June 21, 2016.

2016-2116
ADJOURNMENT

Mr. Lacy motioned to adjourn, Mr. Liggett seconded the motion and the meeting adjourned at 9:37 pm.

President

Board Secretary

Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

TAB 17

Signature and Certification page, signed and dated by Authorized School District
Representative and Authorized Lyondell Chemical Company Representative
(applicant)

See attached.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

**print
here**

Greg Ollis

Print Name (Authorized School District Representative)

**sign
here**

Signature (Authorized School District Representative)

Superintendent

Title

Date

6/20/17

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

**print
here**

Alfred C. Wong

Print Name (Authorized Company Representative (Applicant))

**sign
here**

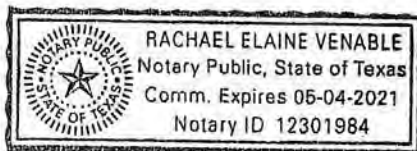
Signature (Authorized Company Representative (Applicant))

Assistant Secretary

Title

Date

6-15-17



(Notary Seal)

GIVEN under my hand and seal of office this, the

15th day of June

2021

Notary Public in and for the State of Texas

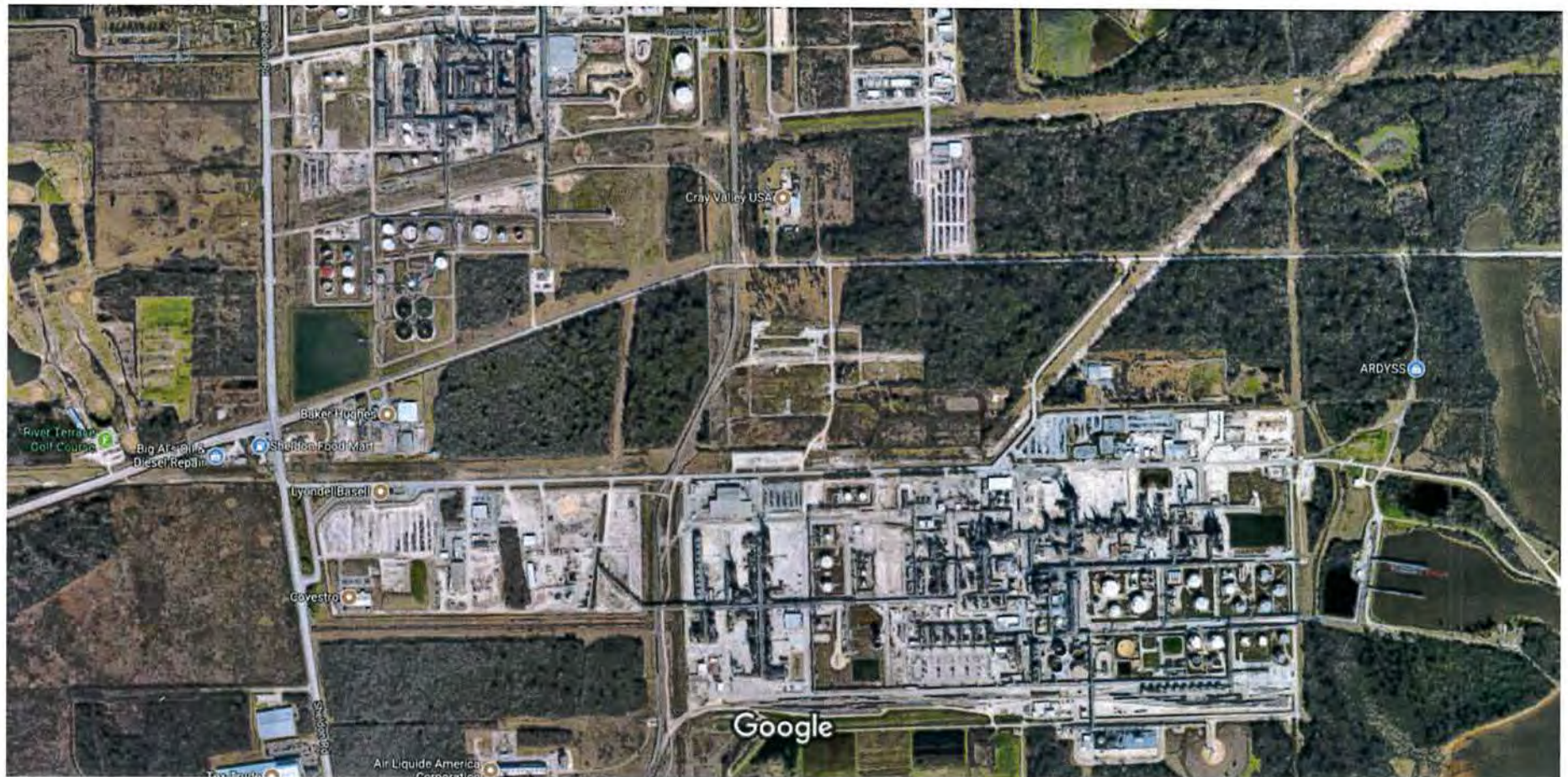
My Commission expires: May 4, 2021

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

ITEM A TO TAB 5

Google Maps

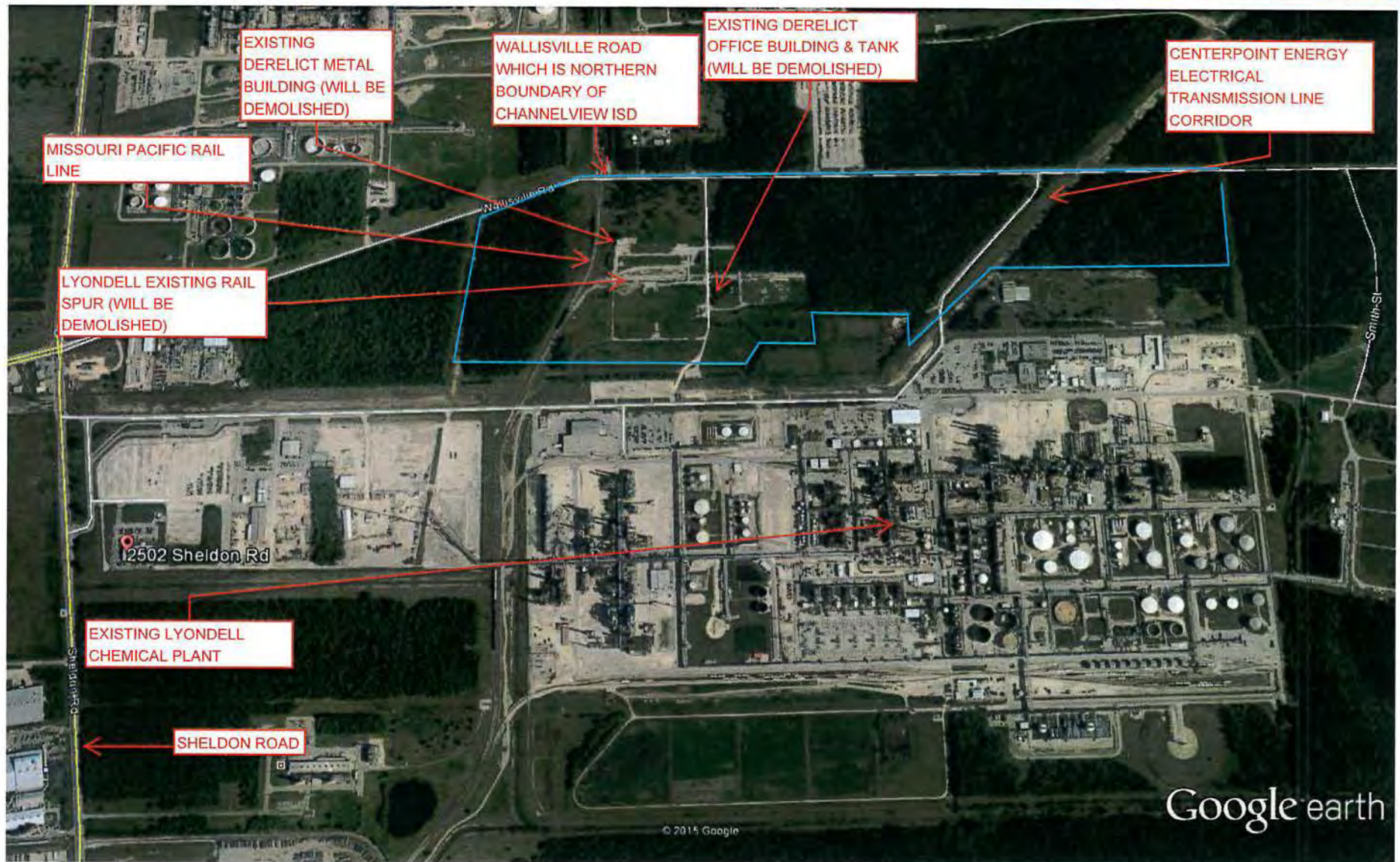
Amendment 1 - Submitted 7/11/2017



Imagery ©2017 Google, Map data ©2017 Google 500 ft

PROJECT VICINTY MAP

Amendment 1 - Submitted 7/11/2017



PROPOSED PROJECT AREA VICINTY HIGHLIGHTED IN BLUE LINE BOUNDARY ABOVE -
EXISTING IMPROVMENTS NOTATED



Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

TAB 9

Description of Land

Please see the attached survey of land owned by Lyondell Chemical Company and others that will be the reinvestment zone. **No qualified investment or qualified property will be made on property not owned by Lyondell Chemical Company or subsidiaries of LyondellBasell Industries N.V. including Equistar Chemicals, LP.** The table below shows each Harris County Appraisal District ("HCAD") account number, the owner, appraised value as of January 1, 2017 (the most current available except for account 048-068-000-0005 which is a 2016 value), description of existing improvements and proposed disposition, if any, of existing improvements.

HCAD ACCOUNT	OWNER	ALL OR PART IN RZ*	HCAD LAND VALUE	HCAD IMPROVEMENT VALUE	EXISTING IMPROVEMENTS	DISPOSITION OF EXISTING IMPROVEMENTS
048-068-000-0034	LYONDELL CHEMICAL COMPANY	ALL	\$604,994	\$130,860	DERELICT BUILDINGS, ROADS, TANKS, RAIL SPUR	ALL WILL BE DEMOLISHED AS PART OF THE PROJECT
048-068-000-0001	EQUISTAR CHEMICALS LP	ALL	\$134,252	\$0	NONE	NOT APPLICABLE
048-068-000-0002	LYONDELL CHEMICAL COMPANY	ALL	\$36,094	\$0	NONE	NOT APPLICABLE
048-068-000-0021	MISSOURI PACIFIC RAILROAD	ALL	\$7,980	\$0	RAILROAD TRACKS	NONE
042-091-000-0002	EQUISTAR CHEMICALS, LP	PART	\$613,325	\$0	NONE	NOT APPLICABLE
048-068-000-0010	EQUISTAR CHEMICALS, LP	PART	\$332,215	\$0	NONE	NONE
048-068-000-0035	LYONDELL CHEMICAL COMPANY	ALL	\$14,375	\$0	NONE	NOT APPLICABLE
048-068-000-0005	CENTERPOINT ENERGY	ALL	\$48,892	\$0	ELECTRIC TRANSMISSION LINES	NONE

* RZ = Reinvestment Zone

As of January 1, 2017 (the most current value except for the last parcel which is a 2016 value), Harris County Appraisal District valued the land at \$8,581 per acre (rounded). Based upon the 163.32 acres in the reinvestment zone, the value of land in the reinvestment zone is \$1,401,462 (rounded).

TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

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print
here

Greg Ollis

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

July 5, 2017

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Alfred C. Wong

Print Name (Authorized Company Representative (Applicant))

Assistant Secretary

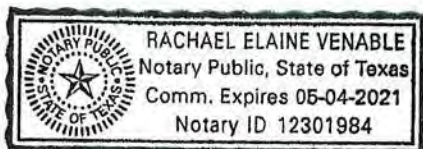
Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

JULY 5, 2017



(Notary Seal)

GIVEN under my hand and seal of office this, the

5th day of July, 2017
 Rachael Elaine Venable
 Notary Public in and for the State of Texas

My Commission expires: MAY 4, 2021

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

SECTION 16: Authorized Signatures and Applicant Certification

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print
here

Greg Ollis

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

July 5, 2017

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print
here

Alfred C. Wong

Print Name (Authorized Company Representative (Applicant))

Assistant Secretary

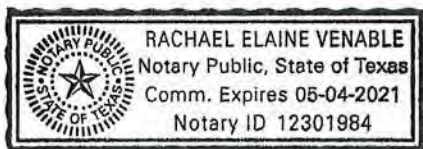
Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

JULY 5, 2017



(Notary Seal)

GIVEN under my hand and seal of office this, the

5th day of July, 2017

Notary Public in and for the State of Texas

My Commission expires:

May 4, 2021

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of: 11/08/2017 10:54:55

This Page is Not Sufficient for Filings with the Secretary of State

LYONDELL CHEMICAL COMPANY

Texas Taxpayer Number	19541605580
Mailing Address	1221 MCKINNEY ST STE 700 HOUSTON, TX 77010-2045
? Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	12/05/1985
Texas SOS File Number	0006763606
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

August 18, 2017

Greg Ollis
Superintendent
Channelview Independent School District
828 Sheldon Road
Channelview, Texas 77530

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Channelview Independent School District and Lyondell Chemical Company, Application 1199

Dear Superintendent Ollis:

On July 20, 2017, the Comptroller issued written notice that Lyondell Chemical Company (applicant) submitted a completed application (Application 1199) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 20, 2017, to the Channelview Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application 1199.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Based on the information provided by the applicant, the Comptroller has that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 20, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

Shira Claven for Mike Reissig

Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Lyondell Chemical Company (project) applying to Channelview Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Lyondell Chemical Company.

Applicant	Lyondell Chemical Company
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Channelview ISD
2015-2016 Average Daily Attendance	8,743
County	Harris
Proposed Total Investment in District	\$1,488,000,000
Proposed Qualified Investment	\$1,253,053,000
Limitation Amount	\$80,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	80
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,250
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,163.14
Minimum annual wage committed to by applicant for qualified jobs	\$65,000
Minimum weekly wage required for non-qualifying jobs	\$1,326.25
Minimum annual wage required for non-qualifying jobs	\$68,965
Investment per Qualifying Job	\$18,600,000
Estimated M&O levy without any limit (15 years)	\$184,273,364
Estimated M&O levy with Limitation (15 years)	\$65,870,515
Estimated gross M&O tax benefit (15 years)	\$118,402,849

Table 2 is the estimated statewide economic impact of Lyondell Chemical Company (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	100	143	243	\$6,960,000	\$11,040,000	\$18,000,000
2019	200	303	503	\$14,740,000	\$25,260,000	\$40,000,000
2020	360	565	925	\$27,740,000	\$49,260,000	\$77,000,000
2021	375	671	1046	\$28,715,000	\$62,285,000	\$91,000,000
2022	25	235	260	\$1,625,000	\$28,375,000	\$30,000,000
2023	25	167	192	\$1,625,000	\$23,375,000	\$25,000,000
2024	25	122	147	\$1,625,000	\$19,375,000	\$21,000,000
2025	25	101	126	\$1,625,000	\$17,375,000	\$19,000,000
2026	25	96	121	\$1,625,000	\$16,375,000	\$18,000,000
2027	25	100	125	\$1,625,000	\$16,375,000	\$18,000,000
2028	25	109	134	\$1,625,000	\$17,375,000	\$19,000,000
2029	25	120	145	\$1,625,000	\$18,375,000	\$20,000,000
2030	25	129	154	\$1,625,000	\$20,375,000	\$22,000,000
2031	25	111	136	\$1,625,000	\$19,375,000	\$21,000,000
2032	25	109	134	\$1,625,000	\$19,375,000	\$21,000,000

Source: CPA REMI, Lyondell Chemical Company

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Harris County Tax Levy	Harris County Hospital Tax Levy	Port of Houston Tax Levy	Harris County Education District Tax Levy	San Jacinto College Tax Levy	HC ESD #50 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3560	1.0400		0.4166	0.1718	0.0133	0.0052	0.1824	0.0497	
2018	\$1,401,462	\$1,401,462		\$4,989	\$14,575	\$19,564	\$5,838	\$2,408	\$187	\$73	\$2,556	\$697	\$30,626
2019	\$148,635,562	\$148,635,562		\$529,143	\$1,545,810	\$2,074,952	\$619,156	\$255,341	\$19,828	\$7,729	\$271,082	\$73,872	\$3,248,088
2020	\$369,485,762	\$369,485,762		\$1,315,369	\$3,842,652	\$5,158,021	\$1,539,130	\$634,740	\$49,289	\$19,213	\$673,868	\$183,634	\$8,074,262
2021	\$993,291,362	\$993,291,362		\$3,536,117	\$10,330,230	\$13,866,347	\$4,137,654	\$1,706,375	\$132,505	\$51,651	\$1,811,565	\$493,666	\$21,706,098
2022	\$1,400,121,462	\$1,400,121,462		\$4,984,432	\$14,561,263	\$19,545,696	\$5,832,346	\$2,405,269	\$186,776	\$72,806	\$2,553,542	\$695,860	\$30,596,434
2023	\$1,358,159,862	\$1,358,159,862		\$4,835,049	\$14,124,863	\$18,959,912	\$5,657,551	\$2,333,183	\$181,179	\$70,624	\$2,477,012	\$675,005	\$29,679,460
2024	\$1,317,456,962	\$1,317,456,962		\$4,690,147	\$13,701,552	\$18,391,699	\$5,487,999	\$2,263,259	\$175,749	\$68,508	\$2,402,778	\$654,776	\$28,789,992
2025	\$1,277,975,062	\$1,277,975,062		\$4,549,591	\$13,290,941	\$17,840,532	\$5,323,533	\$2,195,433	\$170,482	\$66,455	\$2,330,771	\$635,154	\$27,927,206
2026	\$1,239,677,562	\$1,239,677,562		\$4,413,252	\$12,892,647	\$17,305,899	\$5,164,001	\$2,129,642	\$165,373	\$64,463	\$2,260,924	\$616,120	\$27,090,302
2027	\$1,202,529,662	\$1,202,529,662		\$4,281,006	\$12,506,308	\$16,787,314	\$5,009,258	\$2,065,826	\$160,417	\$62,532	\$2,193,174	\$597,657	\$26,278,520
2028	\$1,166,495,762	\$1,166,495,762		\$4,152,725	\$12,131,556	\$16,284,281	\$4,859,155	\$2,003,923	\$155,611	\$60,658	\$2,127,455	\$579,748	\$25,491,082
2029	\$1,131,542,762	\$1,131,542,762		\$4,028,292	\$11,768,045	\$15,796,337	\$4,713,555	\$1,943,877	\$150,948	\$58,840	\$2,063,708	\$562,377	\$24,727,265
2030	\$1,097,638,862	\$1,097,638,862		\$3,907,594	\$11,415,444	\$15,323,039	\$4,572,324	\$1,885,634	\$146,425	\$57,077	\$2,001,874	\$545,527	\$23,986,373
2031	\$1,064,752,062	\$1,064,752,062		\$3,790,517	\$11,073,421	\$14,863,939	\$4,435,331	\$1,829,138	\$142,038	\$55,367	\$1,941,895	\$529,182	\$23,267,707
2032	\$1,032,851,262	\$1,032,851,262		\$3,676,950	\$10,741,653	\$14,418,604	\$4,302,445	\$1,774,335	\$137,782	\$53,708	\$1,883,714	\$513,327	\$22,570,589
2033	\$1,001,907,362	\$1,001,907,362		\$3,566,790	\$10,419,837	\$13,986,627	\$4,173,545	\$1,721,177	\$133,654	\$52,099	\$1,827,279	\$497,948	\$21,894,381
2034	\$971,892,262	\$971,892,262		\$3,459,936	\$10,107,660	\$13,567,616	\$4,048,514	\$1,669,614	\$129,650	\$50,538	\$1,772,537	\$483,030	\$21,238,470
2035	\$942,777,662	\$942,777,662		\$3,356,288	\$9,804,888	\$13,161,176	\$3,927,235	\$1,619,598	\$125,767	\$49,024	\$1,719,438	\$468,560	\$20,602,237
			Total	\$63,078,190	\$184,273,364	\$247,351,554	\$73,808,570	\$30,438,770	\$2,363,660	\$921,367	\$32,315,169	\$8,806,141	\$387,199,091

Source: CPA, Lyondell Chemical Company

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Harris County Tax Levy	Harris County Hospital Tax Levy	Port of Houston Tax Levy	Harris County Education District Tax Levy	San Jacinto College Tax Levy	HC ESD #50 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3560	1.0400		0.4166	0.1718	0.0133	0.0052	0.1824	0.0497	
2018	\$1,401,462	\$1,401,462		\$4,989	\$14,575	\$19,564	\$5,838	\$2,408	\$187	\$73	\$2,556	\$697	\$31,322
2019	\$148,635,562	\$148,635,562		\$529,143	\$1,545,810	\$2,074,952	\$619,156	\$255,341	\$19,828	\$7,729	\$271,082	\$271,082	\$3,519,170
2020	\$369,485,762	\$369,485,762		\$1,315,369	\$3,842,652	\$5,158,021	\$1,539,130	\$634,740	\$49,289	\$19,213	\$673,868	\$673,868	\$8,748,130
2021	\$993,291,362	\$80,000,000		\$3,536,117	\$832,000	\$4,368,117	\$4,137,654	\$1,706,375	\$132,505	\$51,651	\$1,811,565	\$145,904	\$12,353,772
2022	\$1,400,121,462	\$80,000,000		\$4,984,432	\$832,000	\$5,816,432	\$5,832,346	\$2,405,269	\$186,776	\$72,806	\$2,553,542	\$145,904	\$17,013,075
2023	\$1,358,139,862	\$80,000,000		\$4,835,049	\$832,000	\$5,667,049	\$5,657,551	\$2,333,183	\$181,179	\$70,624	\$2,477,012	\$145,904	\$16,532,501
2024	\$1,317,456,962	\$80,000,000		\$4,690,147	\$832,000	\$5,522,147	\$5,487,999	\$2,263,259	\$175,749	\$68,508	\$2,402,778	\$145,904	\$16,066,343
2025	\$1,277,975,062	\$80,000,000		\$4,549,591	\$832,000	\$5,381,591	\$5,323,533	\$2,195,433	\$170,482	\$66,455	\$2,330,771	\$145,904	\$15,614,169
2026	\$1,239,677,562	\$80,000,000		\$4,413,252	\$832,000	\$5,245,252	\$5,164,001	\$2,129,642	\$165,373	\$64,463	\$2,260,924	\$145,904	\$15,175,559
2027	\$1,202,529,662	\$80,000,000		\$4,281,006	\$832,000	\$5,113,006	\$5,009,258	\$2,065,826	\$160,417	\$62,532	\$2,193,174	\$145,904	\$14,750,115
2028	\$1,166,495,762	\$80,000,000		\$4,152,725	\$832,000	\$4,984,725	\$4,859,155	\$2,003,923	\$155,611	\$60,658	\$2,127,455	\$145,904	\$14,337,430
2029	\$1,131,542,762	\$80,000,000		\$4,028,292	\$832,000	\$4,860,292	\$4,713,555	\$1,943,877	\$150,948	\$58,840	\$2,063,708	\$145,904	\$13,937,124
2030	\$1,097,638,862	\$80,000,000		\$3,907,594	\$832,000	\$4,739,594	\$4,572,324	\$1,885,634	\$146,425	\$57,077	\$2,001,874	\$145,904	\$13,548,833
2031	\$1,064,752,062	\$1,064,752,062		\$3,790,517	\$11,073,421	\$14,863,939	\$4,435,331	\$1,829,138	\$142,038	\$55,367	\$1,941,895	\$1,941,895	\$25,209,602
2032	\$1,032,851,262	\$1,032,851,262		\$3,676,950	\$10,741,653	\$14,418,604	\$4,302,445	\$1,774,335	\$137,782	\$53,708	\$1,883,714	\$1,883,714	\$24,454,303
2033	\$1,001,907,362	\$1,001,907,362		\$3,566,790	\$10,419,837	\$13,986,627	\$4,173,545	\$1,721,177	\$133,654	\$52,099	\$1,827,279	\$1,827,279	\$23,721,660
2034	\$971,892,262	\$971,892,262		\$3,459,936	\$10,107,680	\$13,567,616	\$4,048,514	\$1,669,614	\$129,650	\$50,538	\$1,772,537	\$1,772,537	\$23,011,007
2035	\$942,777,662	\$942,777,662		\$3,356,288	\$9,804,888	\$13,161,176	\$3,927,235	\$1,619,598	\$125,767	\$49,024	\$1,719,438	\$1,719,438	\$22,321,675
			Total	\$63,078,190	\$65,870,515	\$128,948,705	\$73,808,570	\$30,438,770	\$2,363,660	\$921,367	\$32,315,169	\$11,549,549	\$280,345,791
			Diff	\$0	\$118,402,849	\$110,402,849	\$0	\$0	\$0	\$0	\$0	-\$2,743,408	\$106,853,300

Source: CPA, Lyondell Chemical Company

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Lyondell Chemical Company (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	\$14,575	\$14,575	\$0	\$0
	2019	\$1,545,810	\$1,560,385	\$0	\$0
	2020	\$3,842,652	\$5,403,037	\$0	\$0
Limitation Period (10 Years)	2021	\$832,000	\$6,235,037	\$9,498,230	\$9,498,230
	2022	\$832,000	\$7,067,037	\$13,729,263	\$23,227,493
	2023	\$832,000	\$7,899,037	\$13,292,863	\$36,520,356
	2024	\$832,000	\$8,731,037	\$12,869,552	\$49,389,908
	2025	\$832,000	\$9,563,037	\$12,458,941	\$61,848,849
	2026	\$832,000	\$10,395,037	\$12,060,647	\$73,909,496
	2027	\$832,000	\$11,227,037	\$11,674,308	\$85,583,804
	2028	\$832,000	\$12,059,037	\$11,299,556	\$96,883,360
	2029	\$832,000	\$12,891,037	\$10,936,045	\$107,819,405
	2030	\$832,000	\$13,723,037	\$10,583,444	\$118,402,849
Maintain Viable Presence (5 Years)	2031	\$11,073,421	\$24,796,458	\$0	\$118,402,849
	2032	\$10,741,653	\$35,538,112	\$0	\$118,402,849
	2033	\$10,419,837	\$45,957,948	\$0	\$118,402,849
	2034	\$10,107,680	\$56,065,628	\$0	\$118,402,849
	2035	\$9,804,888	\$65,870,515	\$0	\$118,402,849
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$9,511,177	\$75,381,692	\$0	\$118,402,849
	2037	\$9,226,285	\$84,607,977	\$0	\$118,402,849
	2038	\$8,949,937	\$93,557,914	\$0	\$118,402,849
	2039	\$8,681,879	\$102,239,793	\$0	\$118,402,849
	2040	\$8,421,857	\$110,661,650	\$0	\$118,402,849
	2041	\$8,169,636	\$118,831,287	\$0	\$118,402,849
	2042	\$7,924,992	\$126,756,279	\$0	\$118,402,849
	2043	\$7,687,680	\$134,443,958	\$0	\$118,402,849
	2044	\$7,457,493	\$141,901,452	\$0	\$118,402,849
	2045	\$7,248,785	\$149,150,236	\$0	\$118,402,849

\$149,150,236

is greater than

\$118,402,849

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Lyondell Chemical Company

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Lyondell Chemical Company’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Lyondell Chemical Company in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Lyondell Chemical Company previously submitted a Chapter 313 Application for Limitation on Appraised Value for this project with Channelview ISD, under Application No. 1061.”
 - B. “The original project never progressed to the point that it was presented to the LyondellBasell Supervisory Board of Directors for final approval (a necessary internal governance step). Applicant did not commence any construction on the site as originally planned (see aerial photos of the proposed site attached hereto as Item A to Tab 5)”
 - C. The “Applicant is now re-evaluating the economics of this project and re-considering whether to continue.”
 - D. “This project will be reviewed with the Supervisory Board later this year for determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without the Chapter 313 value limitation, siting the project at Channelview ISD is less attractive.”
 - E. The “Applicant has made public statements regarding its intentions regarding the proposed project location. As described in the original application, on August 25, 2014, LyondellBasell announced publicly that it planned to build a world-scale propylene oxide/tertiary butyl alcohol (“POTBA”) plant on the U.S. Gulf Coast. Subsequent press releases merely mention plans for a possible POTBA plant. As noted above, a final investment decision has not been made for this project. As is typical for large construction projects in the chemical industry, front-end engineering and design must first be completed in order to evaluate the

technical viability and cost effectiveness of the project. Copies of the relevant press releases are attached hereto as Item B to Tab 5."

- A July 24, 2017 World Construction Network article states that the "Dutch chemical firm LyondellBasell is set to proceed with the construction of propylene oxide (PO) and tertiary butyl alcohol (TBA) plant in Houston, Texas."

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☒ Yes ☐ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☐ Land has no existing improvements	☒ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☒ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No *
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☒ Yes ☐ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☐ Land has no existing improvements	☒ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

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1. Does the applicant currently own the land on which the proposed project will occur? ☒ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No *
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☒ Yes ☐ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Lyondell Chemical Company
Chapter 313 Application to Channelview ISD
Cummings Westlake, LLC

TAB 5

Specific Tab 5 information is submitted under separate cover due to confidential information pursuant to Tex. Gov't Code Section 552.104 and Tex. Gov't Code Section 552.110

Documentation to assist in determining if limitation is a determining factor.

Lyondell Chemical Company's parent company -- LyondellBasell Industries N.V. ("LyondellBasell") -- is one of the world's largest chemical companies with 2016 revenues of over \$29 billion. LyondellBasell has 55 manufacturing sites in 18 countries, with the principal manufacturing sites being in the United States, Germany, Italy, the Netherlands, France, and Spain. LyondellBasell has the option to invest capital in manufacturing plants on a worldwide basis.

Lyondell Chemical Company previously submitted a Chapter 313 Application for Limitation on Appraised Value for this project with Channelview ISD, under Application No. 1061. By letter dated June 12, 2015, the Comptroller recommended that Application No. 1061 be approved. Lyondell Chemical Company and Channelview ISD entered into a Value Limitation Agreement with respect to this application on June 7, 2016.

The project that was the subject of the original application and agreement and this application are the same project, a proposed new propylene oxide (PO) and tertiary butyl alcohol (TBA) plant. After the original application was approved, the project did not move forward for a number of reasons:

- Uncertainty / volatility in the petrochemicals market due to the drop in oil prices,
- High labor and construction costs,
- Company capital expenditure constraints, and
- Re-evaluation of the project scope and economics.

The original project never progressed to the point that it was presented to the LyondellBasell Supervisory Board of Directors for final approval (a necessary internal governance step). Applicant did not commence any construction on the site as originally planned (see aerial photos of the proposed site attached hereto as Item A to Tab 5).

converted into MTBE at the existing Channelview MTBE unit and Bayport-produced TBA will be converted into MTBE at the "new" Bayport MTBE unit.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY LYONDELL CHEMICAL COMPANY TO CHANNELVIEW ISD*

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

Applicant has terminated the previous agreement with Channelview ISD (Application #1061) because Applicant will not satisfy the \$80 million investment requirement by year end 2018, as required.

Applicant is now re-evaluating the economics of this project and re-considering whether to continue. LyondellBasell Industries and its subsidiaries, including Applicant, own and operate petrochemical manufacturing facilities around the world as well as in the United States.

The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board later this year for determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without the Chapter 313 value limitation, siting the project at Channelview ISD is less attractive.

Set forth below is additional information in response to the questions in Section 8 of the Application.

Does the applicant currently own the land on which the proposed project will occur?

The reinvestment zone will consist of property owned by Lyondell Chemical Company, Equistar Chemicals, LP (a wholly owned subsidiary of LyondellBasell), and other landowners not affiliated with LyondellBasell. No qualified investment or qualified property will be constructed on any land that Lyondell Chemical Company or Equistar Chemicals, LP does not own.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Yes. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the Project is technically viable and can be cost-competitive in the global marketplace.

Does the applicant have current business activities at the location where the proposed project will occur?

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

Aerial photos (attached here as Item A to Tab 5) depict the proposed project site. There are no current business activities occurring at the location where the proposed project will occur.

Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?

Applicant has made public statements regarding its intentions regarding the proposed project location. As described in the original application, on August 25, 2014, LyondellBasell announced publicly that it planned to build a world-scale propylene oxide/tertiary butyl alcohol ("POTBA") plant on the U.S. Gulf Coast. Subsequent press releases merely mention plans for a possible POTBA plant. As noted above, a final investment decision has not been made for this project. As is typical for large construction projects in the chemical industry, front-end engineering and design must first be completed in order to evaluate the technical viability and cost effectiveness of the project. Copies of the relevant press releases are attached hereto as Item B to Tab 5.

- PRNewswire: August 25, 2014

LyondellBasell (NYSE: LYB) announced today plans to build a world scale PO/TBA plant on the U.S. Gulf Coast with an annual capacity of 900 million pounds of propylene oxide (PO) and 2 billion pounds of tertiary butyl alcohol (TBA) and its derivatives.

- PRNewswire: November 19, 2015

LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies, today announced that it is advancing plans to build the world's largest propylene oxide (PO) and tertiary butyl alcohol (TBA) plant in the Houston area.

- chemicals-technology.com: February 10, 2016

LyondellBasell, a plastics, chemical and refining company has selected Fluor to provide front-end engineering and design (FEED) services for its proposed propylene oxide and tertiary butyl alcohol (PO/TBA) plant, to be built at its La Porte and Bayport Choate sites in Texas, US.

- BusinessWire: July 15, 2016

LyondellBasell proposes to build a propylene oxide and tertiary butyl alcohol (PO/TBA) plant to be located in La Porte and Pasadena, Texas, USA.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

The PO/TBA project is the largest single capital development project planned by LyondellBasell.

- PRNewswire: September 9, 2016

Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's La Porte site is progressing.

- PRNewswire: January 19, 2017

Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's La Porte site is progressing.

- PRNewswire: May 15, 2017

Additionally, development of a world-scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's La Porte site is progressing and a final PO/TBA investment decision is expected in the second half of 2017.

- LYB Presentation: June 5, 2017

1 billion pounds Propylene Oxide, 29 MBPD Oxyfuels

Final Investment Decision – 3Q 2017

Est. cost: ~\$2.0 - \$2.5 billion

Has the applicant received any local or state permits for activities on the proposed project site?

As is typical for large construction projects in the chemical industry, where obtaining certain permits is a long lead time item and are applied for significantly in advance of the commencement of the project, Applicant has filed certain permit applications relating to the proposed project but has not received TCEQ permits as of the date this application is filed.

Has the applicant received commitments for state or local incentives for activities at the proposed project site?

As indicated above, Applicant previously entered into (and subsequently terminated) a Value Limitation Agreement (Application #1061) with respect to this project.

Lyondell Chemical Company

Chapter 313 Application to Channelview ISD

Cummings Westlake, LLC

Has the applicant provided capital investment or return on investment information for the proposed project in comparison with alternative investment opportunities?

No.

Has the applicant provided information related to the applicant's inputs, transportation and market for the proposed project?

No.

Are you submitting information to assist in the determinations as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

Yes, this Tab 5 and the attachments to Tab 5.

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LyondellBasell to Build World Scale PO/TBA Plant on U.S. Gulf Coast

25 Aug, 2014, 06:50 ET from [LyondellBasell](#)



LyondellBasell (PRNewsFoto/LyondellBasell Industries)

HOUSTON and LONDON, Aug. 25, 2014 /PRNewswire/ -- LyondellBasell (NYSE: [LYB](#)) announced today plans to build a world scale PO/TBA plant on the U.S. Gulf Coast with an annual capacity of 900 million pounds of propylene oxide (PO) and 2 billion pounds of tertiary butyl alcohol (TBA) and its derivatives. The preliminary timetable is to have the plant operational in 2019. The project is expected to generate up to 1,200 construction jobs at its peak.

The plant is expected to sell PO in the global marketplace to meet growing demand for polyurethanes, which are used primarily for the manufacture of bedding, furniture, carpets and car seats. TBA and its derivatives will be sold to meet the need for high octane gasoline blending

components as well as for use in manufacturing synthetic rubber and lubricant additives.

"While we have not finalized the exact location of the plant, the abundant natural gas liquids associated with shale gas make the U.S. Gulf Coast an advantaged feedstock region," said Pat Quarles, LyondellBasell Senior Vice President of Intermediates and Derivatives. "This project combines our leading proprietary PO/TBA technology with low cost feedstock and demonstrates our continued commitment to capturing maximum advantage of market opportunities."

This press release contains forward-looking statements. Forward-looking statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations or operating results. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results to differ from forward-looking statements include, but are not limited to, availability, cost and price volatility of raw materials and utilities; supply/demand balances; industry production capacities and operating rates; uncertainties associated with worldwide economies; legal, tax and environmental proceedings; cyclical nature of the chemical and refining industries; operating interruptions; current and potential governmental regulatory actions; terrorist acts; international political unrest; competitive products and pricing; technological developments; the ability to comply with the terms of our credit facilities and other financing arrangements; the ability to implement business strategies; and other factors affecting our business generally as set forth in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2013, which can be found at www.lyb.com on the Investor Relations page and on the Securities and Exchange Commission's website at www.sec.gov.

LyondellBasell (NYSE: [LYB](#)) is one of the world's largest plastics, chemical and refining companies. The company manufactures products at 55 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyb.com.

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LyondellBasell Developing World's Largest PO/TBA Plant

Project would create up to 2,500 construction jobs and approximately 100 permanent positions in the Houston area

19 Nov, 2015, 12:00 ET from [LyondellBasell](#)



lyondellbasell

Amazing Chemistry

HOUSTON and LONDON, Nov. 19, 2015 /PRNewswire/ -- LyondellBasell (NYSE: [LYB](#)), one of the world's largest plastics, chemical and refining companies, today announced that it is advancing plans to build the world's largest propylene oxide (PO) and tertiary butyl alcohol (TBA) plant in the Houston area. This project, considered to be the largest of its kind, is expected to create up to 2,500 construction jobs and approximately 100 permanent positions.

"We are moving forward in a deliberate fashion to develop what could become the single largest

capital investment in LyondellBasell's history," said Chief Executive Officer Bob Patel. "We continue to believe that the combination of low-cost natural gas liquids available on the U.S. Gulf Coast, along with our leading proprietary PO/TBA technology, will allow this proposed project to capture maximum advantage of market opportunities."

The Company will soon begin front-end engineering design work and file environmental permit applications. This phase will also include funding to order long lead-time equipment. A final investment decision is expected to be made following completion of the engineering design work.

The Company's complex located in Channelview, Texas unit.
The Bayport Choate site near Pasadena was selected for an ethers unit which will produce oxy-fuels for high octane gasoline. A split facility design between the Channelview and Bayport sites will optimize the product balances between the sites and create additional synergies.

This project is part of LyondellBasell's previously announced \$3 - \$4 billion expansion effort that will take place on the U.S. Gulf Coast over the next five years. LyondellBasell has already completed work on ethylene expansion projects at the Company's La Porte and Channelview sites in Texas. A third ethylene expansion project is currently underway in Corpus Christi.

LyondellBasell first announced the PO/TBA project in August of 2014. Annual production capacities are anticipated to be one billion pounds of propylene oxide and two billion pounds of tertiary butyl alcohol.

The plant will sell PO in the global marketplace to meet growing demand for polyurethanes, which are used primarily for the manufacture of bedding, furniture, carpets and car seats. TBA and its derivatives, which include oxy-fuels, will be sold to meet the need for high octane gasoline blending components as well as for use in manufacturing synthetic rubber and lubricant additives.

About LyondellBasell LyondellBasell (NYSE: LYB) is one of the world's largest plastics, chemical and refining companies. The company manufactures products at 56 sites in 19 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at

www.lyb.com.

Forward-Looking Statements The statements in this release relating to matters that are not historical facts are forward-looking statements. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual results could differ materially based on factors including, but are not limited to, the business cyclicity of the chemical, polymers and refining industries; the availability, cost and price volatility of raw materials and utilities, particularly the cost of oil, natural gas, and associated natural gas liquids; labor conditions; operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental risks); supply/demand balances for PO, TBA, or other products; industry production capacities and operating rates; uncertainties associated with worldwide economies; legal, tax and environmental proceedings; our ability to successfully execute projects and growth strategies; current and potential governmental regulatory actions; terrorist acts; international political unrest; technological developments; the ability to comply with the terms of our credit facilities and other financing arrangements; our ability to obtain all necessary regulatory approvals and to successfully construct and operate the proposed facilities described in this release; and other factors affecting our business generally as set forth in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2014, which can be found at www.lyb.com on the Investor Relations page and on the Securities and Exchange Commission's website at www.sec.gov.

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LyondellBasell selects Fluor to provide FEED work for PO/TBA plant in Texas, US

LyondellBasell, a plastics, chemical and refining company has selected Fluor to provide front-end engineering and design (FEED) services for its proposed propylene oxide and tertiary butyl alcohol (PO/TBA) plant, to be built at its Channelview and Bayport Choate sites in Texas, US.

The value of the contract has not been disclosed.

Claimed to be the world's largest PO/TBA plant, the output of the plant will be used to produce polyols, high-octane gasoline components, and other isobutylene derivatives.

"Fluor is bringing its proven integrated engineering, procurement, fabrication and construction solutions approach to

support this world-scale project."

Under the contract, Fluor will provide services to a one billion pound-per-year propylene oxide and a two billion pound-per-year tertiary butyl alcohol plant at the Channelview, site as well as an ethers plant at the Bayport Choate site and other related infrastructure.

Fluor Americas business line energy and chemicals president Jim Brittain said: "Fluor is bringing its proven integrated engineering, procurement, fabrication and construction solutions approach to support this world-scale project's advancement.

"We will leverage our extensive US Gulf Coast chemicals experience and innovative global procurement and design approaches to develop a capital efficient solution for LyondellBasell."

The FEED activities of the plant are expected to be completed in this year.

In 2014, LyondellBasell first revealed its plan to establish the PO/TBA plant, which is a part of the company's previously announced \$3bn-\$4bn expansion plan on the US Gulf Coast over the next couple of years.

The company has already completed expansion of an ethylene plant at its La Porte and Channelview sites in Texas.

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LyondellBasell Selects WorleyParsons for PO/TBA Plant Integrated Project Management

WorleyParsons awarded an Integrated Project Management Team (IPMT) contract by LyondellBasell.

July 15, 2016 02:18 AM Eastern Daylight Time

SYDNEY--(BUSINESS WIRE)--WorleyParsons (ASX:WOR) has been awarded an Integrated Project Management Team (IPMT) contract by LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies.

LyondellBasell propose to build a propylene oxide and tertiary butyl and Pasadena, Texas,

LyondellBasell. Annual production capacities are anticipated to be 1-billion lbs/year of PO and 2-billion lbs/year of TBA.

"We look forward to building a lasting and mutually beneficial relationship with LyondellBasell."

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WorleyParsons will be working closely with LyondellBasell as an Integrated Project Team, to assist LyondellBasell in managing the recently commenced Front End Engineering Design (FEED), project execution and site construction.

"WorleyParsons is very pleased to be the chosen IPMT for this world-scale project. As a leading project delivery service provider in the United States, we will provide a full range of our proven project management expertise and bring a strong collaborative culture to the IPMT, as well as our technical know-how and project delivery systems to ensure that the PO/TBA project will be executed successfully," said Chris Parker, Regional Managing Director of WorleyParsons Americas. "We look forward to building a lasting and mutually beneficial relationship with LyondellBasell."

About WorleyParsons:

WorleyParsons delivers projects, provides expertise in engineering, procurement and construction and offers a wide range of consulting and advisory services. We cover the full lifecycle, from creating new assets to sustaining and enhancing operating assets, in the hydrocarbons, mineral, metals, chemicals and infrastructure sectors. Our resources and energy are focused on responding to and meeting the needs of our customers over the long term and thereby creating value for our shareholders.

WorleyParsons is listed on the Australian Securities Exchange [ASX: WOR].

Further information on WorleyParsons is available on the Internet at www.worleyparsons.com and www.advisian.com.

Contacts

For further information, please contact:

WorleyParsons

Fran VanReyk, +61 2 8456 7256

Director Investor Relations and Group Marketing & Communications

investor.relations@worleyparsons.com

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LyondellBasell Will Build High Density Polyethylene Plant at La Porte, Texas, Complex

Construction to Begin Early 2017 and Create Up to 1,000 Construction Jobs

NEWS PROVIDED BY

LyondellBasell

09 Sep, 2016, 08:30 ET

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HOUSTON and LONDON, Sept. 9, 2016 /PRNewswire/ -- LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies, has selected its La Porte, Texas, manufacturing complex as the site for a new High Density Polyethylene (HDPE) Plant. The plant will be the first commercial plant to employ LyondellBasell's new proprietary *Hyperzone* PE technology and will have an annual capacity of 1.1 billion pounds (500,000 metric tons). The project is expected to create up to 1,000 jobs at the peak of construction and as many as 75 full time positions. Construction is scheduled to begin in early 2017 with start-up planned for 2019.

"This project represents the next generation of technology," said Bob Patel, LyondellBasell CEO and Chairman of the Management Board. "This location

is ideal for this facility because of the feedstock advantage we enjoy, the ability to ship product around the world and, most importantly, the outstanding workforce that the Gulf Coast has to offer."

LyondellBasell (PRNewsFoto/LyondellBasell Industries)

Located on the south shore of the Houston Ship Channel, LyondellBasell's La Porte complex spans 540 acres and produces ethylene, propylene, Linear Low-Density Polyethylene (LLDPE) and Low-Density Polyethylene (LDPE). LLDPE, LDPE and HDPE are thermoplastics used to manufacture a wide variety of plastic products used in everyday life such as bottles, bags, containers, toys, food packaging, healthcare articles, automotive applications and industrial packaging. The La Porte complex is also the primary location for LyondellBasell's Acetyls business with an integrated chain of manufacturing units producing methanol, acetic acid and vinyl acetate monomer (VAM). VAM is used in household latex paint, adhesives, food packaging, wire and cable coatings and automotive safety glass.

HDPE is one of the most versatile plastics because it is lightweight, yet very strong; impact resistant; weather resistant; it can be molded into almost any shape and is widely recyclable.

HDPE resins produced using LyondellBasell's new proprietary *Hyperzone* PE technology will exhibit enhanced properties such as an improved stress crack

resistance and an improved balance between stiffness and impact strength. In certain applications, *Hyperzone* PE resins may allow customers to use less PE resin per unit produced, resulting in improved resource efficiency and savings for customers. This technology was developed at LyondellBasell's European research and development centers located in Frankfurt, Germany, and Ferrara, Italy.

LyondellBasell currently produces a total of 7.8 billion pounds (3.5 million metric tons) of HDPE annually, including capacity of its joint venture facilities. The company is a leading worldwide producer of all forms of PE with an annual capacity of 13.2 billion pounds (6 million metric tons). LyondellBasell is a global leader in the development and licensing of polyolefin processes and related catalysts and plans to make the *Hyperzone* PE technology available for licensing in the future. The company has over 250 polypropylene and polyethylene lines licensed worldwide.

The *Hyperzone* PE project is part of LyondellBasell's ongoing growth plan. Recently, the company completed work on ethylene expansion projects at the La Porte and Channelview sites in Texas. A third ethylene expansion project is currently underway in Corpus Christi, Texas. **Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's Channelview**

About LyondellBasell

LyondellBasell (NYSE: LYB) is one of the world's largest plastics, chemical and refining companies. The company manufactures products at 57 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyb.com.

Hyperzone is a trademark owned by the LyondellBasell Industries group of companies.

Forward-Looking Statements

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. Actual results could differ materially based on factors including, but not limited to, our ability to obtain all necessary regulatory approvals and to successfully construct and operate the proposed facilities described in this release; and general economic conditions in geographic regions or markets served by LyondellBasell or where operations of the company are located. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2015, which can be found at www.lyb.com on the Investor Relations page and on the Securities and Exchange Commission's website at www.sec.gov. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

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LyondellBasell Corpus Christi Complex Expansion Complete



Project completes multi-year plan to increase annual US ethylene capacity by 2 billion pounds

NEWS PROVIDED BY

LyondellBasell □

19 Jan, 2017, 06:45 ET

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HOUSTON, and LONDON, Jan. 19, 2017 /PRNewswire/ -- LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemical and refining companies, today announced completion of the 800 million pounds-per-year ethylene expansion project at the company's Corpus Christi, Texas, site. The project increases ethylene capacity at the facility by 50 percent, from 1.7 billion pounds-per-year to 2.5 billion pounds-per-year, and completes the company's multi-year plan to increase annual ethylene capacity in the U.S. by two billion pounds.

"As we look to meet growing, global demand for our products, we continue to seek the right opportunities that ensure we are well positioned for the longer term," said Bob Patel, LyondellBasell CEO and chairman of the management board. "By expanding ethylene capacity in the U.S. through debottlenecks rather than long and

costly greenfield developments, we quickly added substantial capacity for significantly less than the cost of a new plant," he added.

LyondellBasell's 800 million pounds-per-year ethylene expansion project in Corpus Christi, Texas, increases ethylene capacity at the facility by 50 percent, from 1.7 billion pounds-per-year to 2.5 billion pounds-per-year, and completes the company's multi-year plan to increase annual ethylene capacity in the U.S. by two billion pounds.

Completion of the Corpus Christi expansion is another milestone in the company's organic profit-generating growth strategy. To date, the company has completed the following expansion projects at its manufacturing sites globally:

- **2012**

120 million pounds-per-year combined ethylene/polyethylene increase – Clinton, Iowa and Morris, Ill.

- **2013**

155 million pounds-per-year butadiene increase – Wesseling, Germany

250 million gallons-per-year methanol increase – Channelview, Texas

- **2014**

800 million pounds-per-year ethylene increase – La Porte, Texas

220 million pounds-per-year polyethylene increase – Matagorda, Texas

- **2015**

250 million pounds-per-year ethylene increase – Channelview, Texas

- **2016**

800 million pounds-per-year ethylene increase – Corpus Christi, Texas

Since 2012, LyondellBasell has invested approximately \$2 billion in U.S. Gulf Coast expansion projects and plans to invest an additional \$3 billion in the region. In September, the company announced the construction of a high density polyethylene plant (HDPE) in La Porte that will be the first to utilize LyondellBasell's new proprietary Hyperzone PE technology. HDPE is one of the most versatile plastics because it is lightweight, yet very strong; impact resistant; weather resistant; it can be molded into almost any shape and is widely recyclable. Construction is scheduled to begin in early 2017 with start-up planned for 2019.

Additionally, development of a world scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's

Ethylene is a basic chemical building block used in consumer products such as housewares, construction materials, automotive parts, food packaging and personal care products. Global demand for ethylene has consistently grown at a 4 percent annual rate, according to IHS Markit.

About LyondellBasell

LyondellBasell (NYSE: **LYB**) is one of the world's largest plastics, chemical and

refining companies and a member of the S&P 500. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyb.com.

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LyondellBasell Begins Construction of Hyperzone PE Plant at its La Porte Complex



Project will double PE capacity of La Porte facility

NEWS PROVIDED BY

LyondellBasell

15 May, 2017, 17:01 ET

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HOUSTON, May 15, 2017 /PRNewswire/ -- LyondellBasell (NYSE: LYB), one of the world's largest plastics, chemicals and refining companies, has broken ground on the first commercial *Hyperzone* polyethylene (PE) plant at its La Porte, Texas, complex. The plant will be capable of producing 1.1 billion pounds (500,000 metric tons) of high density polyethylene (HDPE) annually and will employ LyondellBasell's new proprietary *Hyperzone* PE technology that provides enhanced material performance. Startup of the plant is planned for 2019.

"Today represents the launch of our latest innovation in plastics technology," said Bob Patel, LyondellBasell CEO. "The new *Hyperzone* PE plant will produce a better plastic that advances solutions to modern challenges, like protecting the purity of

water supplies through stronger and more versatile pipes and ensuring the freshness of bulk foods by providing tough, crack-resistant containers for storage. This is truly a global effort developed by an international team, built to serve worldwide markets."

LyondellBasell CEO Bob Patel speaks about the benefits of the company's new Hyperzone PE technology during a groundbreaking celebration for the new plant in La Porte, TX.

Hyperzone PE technology enables customers to produce cost-effective, light weight plastics that are strong, durable and widely recyclable. The new *Hyperzone* PE technology also enables the production of a broad spectrum of HDPE products in one single plant whereas previous technologies require multiple plants.

LyondellBasell is a global leader in the development and licensing of polyolefin processes. The company plans to make the *Hyperzone* process technology available for licensing in the future. The technology took years to advance to commercialization and was a product of LyondellBasell's global research and development teams in Ferrara, Italy; Frankfurt, Germany; Cincinnati, Ohio; and Houston, Texas.

The company chose to build the new plant at its existing La Porte Complex because of its proximity to price-advantaged U.S. feedstocks and the transportation infrastructure needed to ship product to markets across the globe. The project will

create up to 1,000 jobs at the peak of construction and 75 permanent positions.

The La Porte Complex is one of LyondellBasell's largest manufacturing facilities spanning approximately 550 acres. The complex has two docks on the Houston Ship Channel and truck and rail transportation capabilities. Once the *Hyperzone* PE plant is complete, the La Porte Complex will more than double its annual PE capacity to 2 billion pounds (900,000 metric tons). LyondellBasell currently produces a total of 7 billion pounds (3 million metric tons) of HDPE annually, including its share of capacity through joint venture facilities. The company is a leading worldwide producer of all forms of PE with an annual capacity of 12 billion pounds (5 million metric tons).

The *Hyperzone* PE plant is part of LyondellBasell's plan for \$3-5 billion of investments along the U.S. Gulf Coast. The company recently completed work on ethylene expansion projects at its La Porte, Channelview and Corpus Christi sites in Texas. **Additionally, development of a world-scale propylene oxide and tertiary butyl alcohol (PO/TBA) plant at the company's Channelview site is progressing and a final PO/TBA investment decision is expected in the second half of 2017.**

About LyondellBasell

LyondellBasell (NYSE: [LYB](#)) is one of the world's largest plastics, chemicals and refining companies and a member of the S&P 500. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyb.com.

Hyperzone is a trademark owned by the LyondellBasell Industries group of companies.

Forward-Looking Statements

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of

1995. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. Actual results could differ materially based on factors including, but not limited to, our ability to obtain all necessary regulatory approvals and to successfully construct and operate the proposed facilities described in this release; and general economic conditions in geographic regions or markets served by LyondellBasell or where operations of the company are located. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2016, which can be found at www.lyb.com on the Investor Relations page and on the Securities and Exchange Commission's website at www.sec.gov. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

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La Porte Hyperzone Polyethylene

- 1.1 billion pounds per year
- Groundbreaking – May 2017
- Startup 2019
- Est. cost: ~\$700 - 750 million



PO/TBA

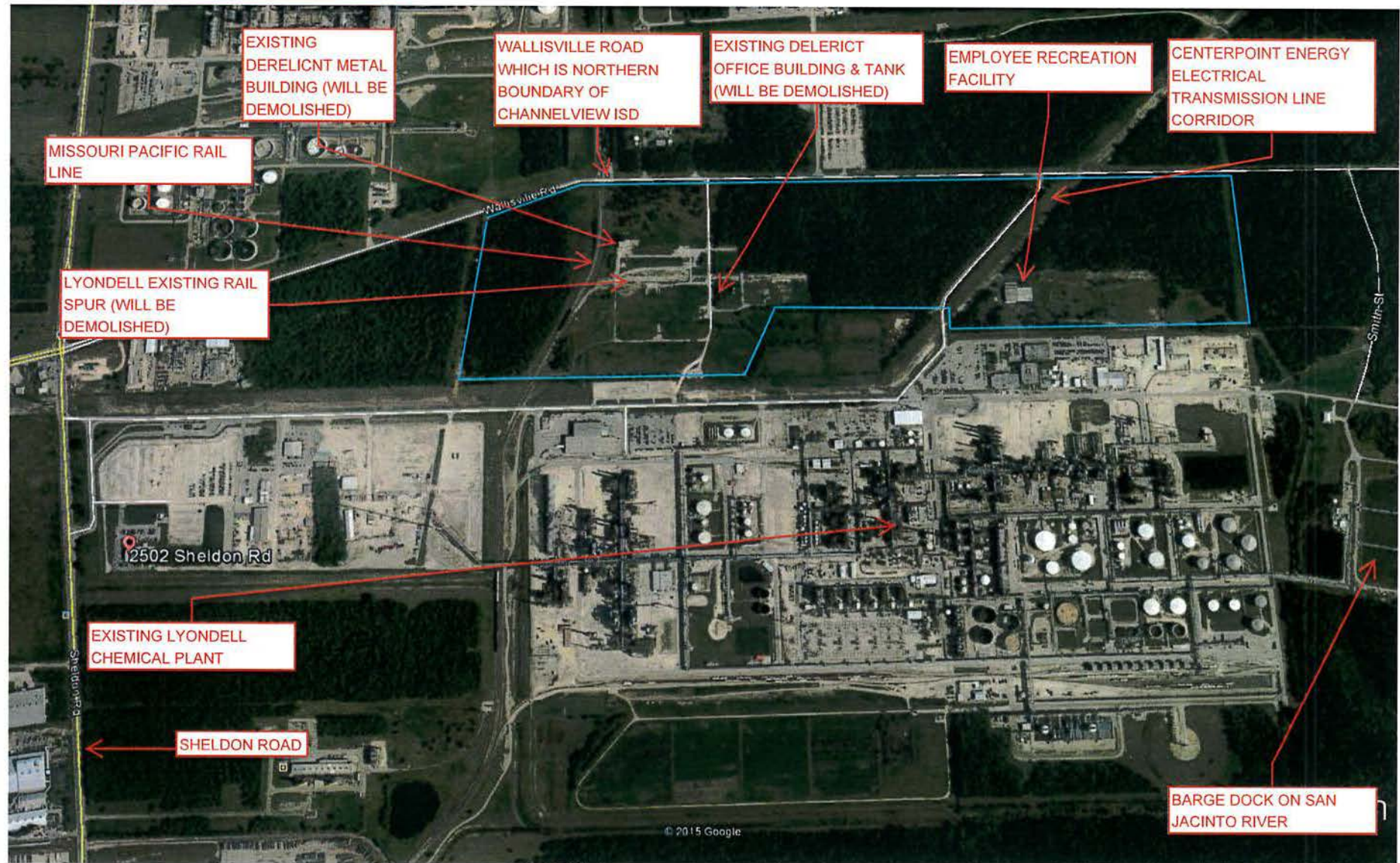
- 1 billion pounds Propylene Oxide, 29 MBPD Oxyfuels
- Final Investment Decision – 3Q 2017
- Est. cost: ~\$2.0 – \$2.5 billion



Building for the Future

17

ITEM A TO TAB 5



PROPOSED PROJECT AREA VICINITY HIGHLIGHTED IN BLUE LINE BOUNDARY ABOVE

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



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LyondellBasell to build propylene oxide and tertiary butyl alcohol plant in Texas

WCN EDITORIAL TEAM

24 JUL 2017

NORTH AMERICA

BUILDINGS



Dutch chemical firm LyondellBasell is set to proceed with the construction of propylene oxide (PO) and tertiary butyl alcohol (TBA) plant in Houston, Texas.

Estimated to cost approximately \$2.4bn, the plant will produce an anticipated one billion pounds (470,000 metric tons) of PO and 2.2 billion pounds (1 million metric tons) of TBA per year.

"PO is used in the manufacture of bedding, furniture, carpeting, coatings, building materials and adhesives, while the TBA will be converted to two ether-based oxyfuels, methyl tertiary butyl ether (MTBE) and ethyl tertiary butyl ether (ETBE)," LyondellBasell said in a statement.

The company said that the PO/TBA project will have a split facility design to optimise product balances and realise synergies between LyondellBasell sites.

The location for the PO/TBA plant is the LyondellBasell Channelview Complex located in Channelview, Texas; however the final site selection is contingent upon final approval of certain economic incentives by the state of Texas.

Currently, site preparation works are in progress and construction is expected to commence during the second half of 2018. The project is expected to be completed by mid-2021.

The project is anticipated to create up to 2,500 jobs during peak construction and about 160 permanent positions once operational.

LyondellBasell CEO Bob Patel said: "This world-scale project is a key part of our organic growth strategy which is designed to meet rising global demand for both urethanes and cleaner-burning oxyfuels while creating real, long-term value for our shareholders.

"Our investment in this plant combines the best of both worlds: our leading PO/TBA process technology with proximity to low-cost feedstocks, which gives LyondellBasell a competitive advantage in the global marketplace for these products."

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EGGER to build \$700m manufacturing facility in North Carolina

26 Jul 2017



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BBCS, Provident Resources Group break ground on mixed-use project in Oklahoma

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED LYONDELL
CHEMICAL COMPANY PROJECT IN THE CHANNELVIEW
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1199)**

PREPARED BY



NOVEMBER 1, 2017

Executive Summary

Lyondell Chemical Company (Company) has requested that the Channelview Independent School District Independent School District (CISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to CISD on June 20, 2017 the Company plans to invest \$1.4 billion to construct a chemical manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Lyondell project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, CISD may offer a minimum value limitation of \$80 million. This value limitation, under the proposed application, will begin in the 2021-22 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in May. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to CISD	\$11.5 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$106.9 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Comptroller's Office issued a Completeness Letter for the Lyondell project on July 20, 2017.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The Comptroller's Office issues its Certificate for the Lyondell project on August 18, 2017.

Once the Completeness Letter was issued, O'Hanlon, Demerath & Castillo contacted the school district to discuss the value limitation agreement and began negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review prior to final adoption by the school district's board of trustees.

Prior to final board meeting, O'Hanlon, Demerath & Castillo will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). (For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools.](#))

Because the general school finance formula system calculates state aid entitlements using the Comptroller's certified property value for the preceding year, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment remained at \$5,140 and the Tier II Austin yield increased to \$99.41 for 2017-18 and \$106.28 for 2018-19, which is maintained for future years.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313

projects are also factored into the M&O tax bases used. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA: 8,884
Local Tax Base: \$3.07 billion
M&O Tax Rate: \$1.0400
I&S Tax Rate: \$0.3560
M&O Wealth per WADA: \$223,370

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Lyondell Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP	2019-20	8,884.09	12,183.13	\$1.0400	\$0.3560	\$3,281,696,178	\$3,281,696,178	\$3,052,418,822	\$3,052,418,822	\$260,545	\$260,545
QTP1	2020-21	8,884.09	12,183.13	\$1.0400	\$0.3560	\$3,469,418,878	\$3,469,418,878	\$3,258,969,022	\$3,258,969,022	\$267,499	\$267,499
QTP2/VL1	2021-22	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,147,035,878	\$3,233,744,516	\$3,446,691,722	\$3,446,691,722	\$282,907	\$282,907
VL2	2022-23	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,553,865,978	\$3,233,744,516	\$4,124,308,722	\$3,211,017,360	\$338,526	\$263,563
VL3	2023-24	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,511,904,378	\$3,233,744,516	\$4,531,138,822	\$3,211,017,360	\$371,919	\$263,563
VL4	2024-25	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,471,201,478	\$3,233,744,516	\$4,489,177,222	\$3,211,017,360	\$368,475	\$263,563
VL5	2025-26	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,431,719,578	\$3,233,744,516	\$4,448,474,322	\$3,211,017,360	\$365,134	\$263,563
VL6	2026-27	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,393,422,078	\$3,233,744,516	\$4,408,992,422	\$3,211,017,360	\$361,893	\$263,563
VL7	2027-28	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,356,274,178	\$3,233,744,516	\$4,370,694,922	\$3,211,017,360	\$358,750	\$263,563
VL8	2028-29	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,320,240,278	\$3,233,744,516	\$4,333,547,022	\$3,211,017,360	\$355,701	\$263,563
VL9	2029-30	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,996,413,478	\$3,944,870,716	\$4,297,513,122	\$3,211,017,360	\$352,743	\$263,563
VL10	2030-31	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,938,775,778	\$3,921,136,916	\$4,973,686,322	\$3,922,143,560	\$408,244	\$321,932
VP1	2031-32	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,882,867,178	\$4,882,867,178	\$4,916,048,622	\$3,898,409,760	\$403,513	\$319,984
VP2	2032-33	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,828,635,278	\$4,828,635,278	\$4,860,140,022	\$4,860,140,022	\$398,924	\$398,924
VP3	2033-34	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,776,030,178	\$4,776,030,178	\$4,805,908,122	\$4,805,908,122	\$394,472	\$394,472
VP4	2034-35	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,725,003,714	\$4,725,003,714	\$4,753,303,022	\$4,753,303,022	\$390,155	\$390,155
VP5	2035-36	8,884.09	12,183.13	\$1.0400	\$0.3560	\$4,675,508,092	\$4,675,508,092	\$4,702,276,558	\$4,702,276,558	\$385,966	\$385,966

*Basic Allotment: \$5,140; AISD Yield: \$106.28; Equalized Wealth: \$514,000 per WADA

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

M&O Impact of the Lyondell Project on CISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of \$80 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$11.5 million over the course of the Agreement, with nearly all the loss reflected in the first two limitation years (2021-22 and 2022-23). Nearly all reduction in M&O taxes under the limitation agreement is offset through an increase in state aid under current law.

Table 2-- "Baseline Revenue Model" --Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2019-20	\$31,485,244	\$35,531,437	\$0	\$0	\$1,863,013	\$6,036,443	\$0	\$0	\$240,396	\$75,156,533
QTP1	2020-21	\$33,291,628	\$33,503,320	\$0	\$0	\$1,969,899	\$5,852,312	\$0	\$0	\$240,396	\$74,857,555
QTP2/VL1	2021-22	\$38,544,289	\$31,660,071	\$0	\$0	\$2,280,704	\$6,290,016	\$0	\$0	\$240,396	\$79,015,476
VL2	2022-23	\$41,939,752	\$25,006,550	\$0	\$0	\$2,481,617	\$5,311,998	\$0	\$0	\$240,396	\$74,980,313
VL3	2023-24	\$41,589,534	\$21,011,885	\$0	\$0	\$2,460,894	\$4,570,479	\$0	\$0	\$240,396	\$69,873,188
VL4	2024-25	\$41,249,829	\$21,423,906	\$0	\$0	\$2,440,793	\$4,601,723	\$0	\$0	\$240,396	\$69,956,647
VL5	2025-26	\$40,920,314	\$21,823,568	\$0	\$0	\$2,421,296	\$4,623,865	\$0	\$0	\$240,396	\$70,029,439
VL6	2026-27	\$40,600,675	\$22,211,240	\$0	\$0	\$2,402,382	\$4,653,882	\$0	\$0	\$240,396	\$70,108,575
VL7	2027-28	\$40,290,625	\$22,587,284	\$0	\$0	\$2,384,036	\$4,674,754	\$0	\$0	\$240,396	\$70,177,095
VL8	2028-29	\$39,989,880	\$22,952,039	\$0	\$0	\$2,366,241	\$4,703,615	\$0	\$0	\$240,396	\$70,252,171
VL9	2029-30	\$46,541,057	\$23,305,856	\$0	\$0	\$2,753,881	\$5,545,107	\$0	\$0	\$240,396	\$78,386,297
VL10	2030-31	\$46,029,707	\$16,666,511	\$0	\$0	\$2,723,624	\$4,370,048	\$0	\$0	\$240,396	\$70,030,286
VP1	2031-32	\$45,371,362	\$17,232,456	\$0	\$0	\$2,684,669	\$4,385,569	\$0	\$0	\$240,396	\$69,914,452
VP2	2032-33	\$44,849,509	\$17,781,422	\$0	\$0	\$2,653,790	\$4,416,096	\$0	\$0	\$240,396	\$69,941,213
VP3	2033-34	\$44,343,310	\$18,313,925	\$0	\$0	\$2,623,838	\$4,445,706	\$0	\$0	\$240,396	\$69,967,175
VP4	2034-35	\$43,852,302	\$18,830,455	\$0	\$0	\$2,594,784	\$4,474,429	\$0	\$0	\$240,396	\$69,992,366
VP5	2035-36	\$43,376,024	\$19,331,483	\$0	\$0	\$2,566,603	\$4,502,289	\$0	\$0	\$240,396	\$70,016,795

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 3-- "Value Limitation Revenue Model" --Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2019-20	\$31,485,244	\$35,531,437	\$0	\$0	\$1,863,013	\$6,036,443	\$0	\$0	\$240,396	\$75,156,533
QTP1	2020-21	\$33,291,628	\$33,503,320	\$0	\$0	\$1,969,899	\$5,852,312	\$0	\$0	\$240,396	\$74,857,555
QTP2/VL1	2021-22	\$31,023,823	\$31,660,071	\$0	\$0	\$1,835,710	\$5,064,318	\$0	\$0	\$240,396	\$69,824,318
VL2	2022-23	\$31,023,823	\$33,974,158	\$0	\$0	\$1,835,710	\$5,569,683	\$0	\$0	\$240,396	\$72,643,770
VL3	2023-24	\$31,023,823	\$33,974,158	\$0	\$0	\$1,835,710	\$5,569,683	\$0	\$0	\$240,396	\$72,643,770
VL4	2024-25	\$31,023,823	\$33,974,158	\$0	\$0	\$1,835,710	\$5,569,683	\$0	\$0	\$240,396	\$72,643,770
VL5	2025-26	\$31,023,823	\$33,974,158	\$0	\$0	\$1,835,710	\$5,569,683	\$0	\$0	\$240,396	\$72,643,770
VL6	2026-27	\$31,023,823	\$33,974,158	\$0	\$0	\$1,835,710	\$5,569,683	\$0	\$0	\$240,396	\$72,643,770
VL7	2027-28	\$31,023,823	\$33,974,158	\$0	\$0	\$1,835,710	\$5,569,683	\$0	\$0	\$240,396	\$72,643,770
VL8	2028-29	\$31,023,823	\$33,974,158	\$0	\$0	\$1,835,710	\$5,569,683	\$0	\$0	\$240,396	\$72,643,770
VL9	2029-30	\$37,866,720	\$33,974,158	\$0	\$0	\$2,240,612	\$6,796,572	\$0	\$0	\$240,396	\$81,118,458
VL10	2030-31	\$37,638,339	\$26,991,609	\$0	\$0	\$2,227,098	\$5,126,815	\$0	\$0	\$240,396	\$72,224,257
VP1	2031-32	\$46,892,704	\$27,224,652	\$0	\$0	\$2,774,688	\$6,443,469	\$0	\$0	\$240,396	\$83,575,909
VP2	2032-33	\$46,370,851	\$17,781,422	\$0	\$0	\$2,743,809	\$4,569,769	\$0	\$0	\$240,396	\$71,706,247
VP3	2033-34	\$45,864,652	\$18,313,925	\$0	\$0	\$2,713,857	\$4,600,410	\$0	\$0	\$240,396	\$71,733,240
VP4	2034-35	\$45,373,644	\$18,830,455	\$0	\$0	\$2,684,804	\$4,630,132	\$0	\$0	\$240,396	\$71,759,431
VP5	2035-36	\$44,897,366	\$19,331,483	\$0	\$0	\$2,656,622	\$4,658,962	\$0	\$0	\$240,396	\$71,784,829

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2021-22	-\$7,520,466	\$0	\$0	\$0	-\$444,994	-\$1,225,698	\$0	\$0	\$0	-\$9,191,158
VL2	2022-23	-\$10,915,929	\$8,967,608	\$0	\$0	-\$645,907	\$257,685	\$0	\$0	\$0	-\$2,336,543
VL3	2023-24	-\$10,565,711	\$12,962,273	\$0	\$0	-\$625,184	\$999,204	\$0	\$0	\$0	\$2,770,582
VL4	2024-25	-\$10,226,006	\$12,550,252	\$0	\$0	-\$605,083	\$967,960	\$0	\$0	\$0	\$2,687,123
VL5	2025-26	-\$9,896,491	\$12,150,590	\$0	\$0	-\$585,586	\$945,818	\$0	\$0	\$0	\$2,614,331
VL6	2026-27	-\$9,576,852	\$11,762,918	\$0	\$0	-\$566,672	\$915,801	\$0	\$0	\$0	\$2,535,195
VL7	2027-28	-\$9,266,802	\$11,386,874	\$0	\$0	-\$548,326	\$894,929	\$0	\$0	\$0	\$2,466,675
VL8	2028-29	-\$8,966,057	\$11,022,119	\$0	\$0	-\$530,531	\$866,068	\$0	\$0	\$0	\$2,391,599
VL9	2029-30	-\$8,674,337	\$10,668,302	\$0	\$0	-\$513,269	\$1,251,465	\$0	\$0	\$0	\$2,732,161
VL10	2030-31	-\$8,391,368	\$10,325,098	\$0	\$0	-\$496,526	\$756,767	\$0	\$0	\$0	\$2,193,971
VP1	2031-32	\$1,521,342	\$9,992,196	\$0	\$0	\$90,019	\$2,057,900	\$0	\$0	\$0	\$13,661,457
VP2	2032-33	\$1,521,342	\$0	\$0	\$0	\$90,019	\$153,673	\$0	\$0	\$0	\$1,765,034
VP3	2033-34	\$1,521,342	\$0	\$0	\$0	\$90,019	\$154,704	\$0	\$0	\$0	\$1,766,065
VP4	2034-35	\$1,521,342	\$0	\$0	\$0	\$90,020	\$155,703	\$0	\$0	\$0	\$1,767,065
VP5	2035-36	\$1,521,342	\$0	\$0	\$0	\$90,019	\$156,673	\$0	\$0	\$0	\$1,768,034

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$118.4 million over the life of the agreement. The CISD revenue losses are expected to total approximately \$11.5 million over the course of the agreement. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$106.9 million, prior to any negotiations with Lyondell on supplemental payments. (See Table 5.)

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with CISD currently levying a \$0.3560 per \$100 I&S rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the Lyondell project to the local I&S tax roll. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

**Table 5 - Estimated Financial Impact of the Lyondell Project Property Value Limitation Request
Submitted to CISD at \$1.04 per \$100 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2019-20	\$148,635,562	\$148,635,562	\$0	\$1.040	\$1,545,810	\$1,545,810	\$0	\$0	\$0
QTP1	2020-21	\$369,485,762	\$369,485,762	\$0	\$1.040	\$3,842,652	\$3,842,652	\$0	\$0	\$0
QTP2/VL1	2021-22	\$993,291,362	\$80,000,000	\$913,291,362	\$1.040	\$10,330,230	\$832,000	\$9,498,230	-\$9,191,158	\$307,072
VL2	2022-23	\$1,400,121,462	\$80,000,000	\$1,320,121,462	\$1.040	\$14,561,263	\$832,000	\$13,729,263	-\$2,336,543	\$11,392,720
VL3	2023-24	\$1,358,159,862	\$80,000,000	\$1,278,159,862	\$1.040	\$14,124,863	\$832,000	\$13,292,863	\$0	\$13,292,863
VL4	2024-25	\$1,317,456,962	\$80,000,000	\$1,237,456,962	\$1.040	\$13,701,552	\$832,000	\$12,869,552	\$0	\$12,869,552
VL5	2025-26	\$1,277,975,062	\$80,000,000	\$1,197,975,062	\$1.040	\$13,290,941	\$832,000	\$12,458,941	\$0	\$12,458,941
VL6	2026-27	\$1,239,677,562	\$80,000,000	\$1,159,677,562	\$1.040	\$12,892,647	\$832,000	\$12,060,647	\$0	\$12,060,647
VL7	2027-28	\$1,202,529,662	\$80,000,000	\$1,122,529,662	\$1.040	\$12,506,308	\$832,000	\$11,674,308	\$0	\$11,674,308
VL8	2028-29	\$1,166,495,762	\$80,000,000	\$1,086,495,762	\$1.040	\$12,131,556	\$832,000	\$11,299,556	\$0	\$11,299,556
VL9	2029-30	\$1,131,542,762	\$80,000,000	\$1,051,542,762	\$1.040	\$11,768,045	\$832,000	\$10,936,045	\$0	\$10,936,045
VL10	2030-31	\$1,097,638,862	\$80,000,000	\$1,017,638,862	\$1.040	\$11,415,444	\$832,000	\$10,583,444	\$0	\$10,583,444
VP1	2031-32	\$1,064,752,062	\$1,064,752,062	\$0	\$1.040	\$11,073,421	\$11,073,421	\$0	\$0	\$0
VP2	2032-33	\$1,032,851,262	\$1,032,851,262	\$0	\$1.040	\$10,741,653	\$10,741,653	\$0	\$0	\$0
VP3	2033-34	\$1,001,907,362	\$1,001,907,362	\$0	\$1.040	\$10,419,837	\$10,419,837	\$0	\$0	\$0
VP4	2034-35	\$971,892,262	\$971,892,262	\$0	\$1.040	\$10,107,680	\$10,107,680	\$0	\$0	\$0
VP5	2035-36	\$942,777,662	\$942,777,662	\$0	\$1.040	\$9,804,888	\$9,804,888	\$0	\$0	\$0
						\$184,258,789	\$65,855,940	\$118,402,849	-\$11,527,701	\$106,875,148

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

Attachment E

Taxable Value of Property



School and Appraisal Districts Property Value Study 2015 Report

2015 ISD Summary Worksheet

101/Harris

101-905/Channelview ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	927,213,659	.9531	972,839,848	927,213,659
B. Multi-Family Residences	14,425,201	N/A	14,425,201	14,425,201
C1. Vacant Lots	39,136,271	N/A	39,136,271	39,136,271
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	47,033	1.4712	31,969	47,033
D2. Real Prop Farm & Ranch	0	N/A	0	0
E. Real Prop NonQual Acres	11,129,871	N/A	11,129,871	11,129,871
F1. Commercial Real	273,955,337	.9621	284,747,258	273,955,337
F2. Industrial Real	574,152,495	N/A	574,152,495	574,152,495
G. Oil, Gas, Minerals	11,272,710	N/A	11,272,710	11,272,710
J. Utilities	52,551,929	N/A	52,551,929	52,551,929

L1. Commercial Personal	245,391,022	1.0130	242,241,878	245,391,022
L2. Industrial Personal	879,405,173	N/A	879,405,173	879,405,173
M. Other Personal	16,433,972	N/A	16,433,972	16,433,972
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	529,657	N/A	529,657	529,657
S. Special Inventory	4,413,796	N/A	4,413,796	4,413,796
Subtotal	3,050,058,126		3,103,312,028	3,050,058,126
Less Total Deductions	328,709,763		335,634,568	328,709,763
Total Taxable Value	2,721,348,363		2,767,677,460	2,721,348,363 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
2,778,547,232	2,721,348,363	2,778,547,232	2,721,348,363

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
57,198,869	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
2,778,547,232	2,721,348,363	2,778,547,232	2,721,348,363

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED
VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES**

by and between

CHANNELVIEW INDEPENDENT SCHOOL DISTRICT

and

LYONDELL CHEMICAL COMPANY

(Texas Taxpayer ID # 19541605580)

Comptroller Application # 1199

Dated

November 16, 2017

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS §

COUNTY OF HARRIS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **CHANNELVIEW INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **LYONDELL CHEMICAL COMPANY**, Texas Taxpayer Identification Number 19541605580 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on June 20, 2017, the Superintendent of Schools of the Channelview Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on June 20, 2017, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and July 20, 2017, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Harris County Appraisal District established in Harris County, Texas (the "Harris County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on August 18, 2017, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on November 16, 2017, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on November 16, 2017, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on November 7, 2017, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on November 16, 2017 the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

"Act" means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

"Agreement" means this Agreement, as the same may be modified, amended, restated,

amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

"Applicant" means Lyondell Chemical Company, (Texas Taxpayer ID #19541605580) the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

"Applicant's Qualified Investment" means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

"Applicant's Qualified Property" means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on June 20, 2017. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"Application Approval Date" means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

"Application Review Start Date" means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"Appraisal District" means the Harris County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Channelview Independent School District.

"Comptroller" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth in 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Harris County, Texas.

“District” or “School District” means the Channelview Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter B of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount

required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"Supplemental Payment" means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.027 of the TEXAS TAX CODE.

"Tax Limitation Period" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (i.e., the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"Aggregate Limit" means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying by the District's Average Daily Attendance, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year (rounded to the nearest whole number) times \$100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective for purposes of this

Agreement. The Annual Limit shall first be computed for Tax Year 2018, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

"Applicable School Finance Law" means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Applicant's Stipulated Supplemental Payment Amount" means, for purposes of Article VI, for any Tax Year during the term of this Agreement, an amount equal to forty percent (40%) of the "Net Tax Benefit," as such term is defined in this Section 1.2, for such Tax Year.

"Cumulative Payments" means for any Tax Year during the term of this Agreement, the total of all payments, calculated under Article IV, V and VI of this Agreement, for such Tax Year which are paid by or owed by the Applicant to the District, plus all payments, calculated under Article IV, V and VI of this Agreement, paid by or owed by the Applicant for all previous Tax Years during the term of this Agreement.

"Cumulative Unadjusted Tax Benefit" means for any Tax Year during the term of this Agreement, the Unadjusted Tax Benefit for such Tax Year added to the Unadjusted Tax Benefit for all previous Tax Years during the term of this Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

"M&O Amount" has the meaning given such term in Section 4.2.

"New M&O Revenue" has the meaning given such term in Section 4.2. A. ii.

"Net Tax Benefit" means, for any Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year and all previous Tax Years

during the term of this Agreement if this Agreement had not been entered into by the Parties; minus; (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such Tax Year and all previous Tax Years during the term of this Agreement, plus (B) any payments due to the District under Articles IV, V and VI under this Agreement for such Tax Year and all previous Tax Years during the term of this Agreement.

"Original M&O Revenue" has the meaning given such term in Section 4.2. A. i.

"Supplemental Payments" has the meaning given such term in Section 6.1(a).

"Unadjusted Tax Benefit" means, for any Tax Year during the term of this Agreement, the total of all gross tax savings calculated for such Tax Year by multiplying (i) an amount equal to (a) the Taxable Value of the Applicant's Qualified Property used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year, minus (b) the Tax Limitation Amount (defined in Section 2.4, below, as Eighty Million Dollars (\$80,000,000.00)), by (ii) the District's maintenance and operations tax rate for such Tax Year.

ARTICLE II AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is July 20, 2017, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.
- B. The Application Approval Date for this Agreement is November 16, 2017.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on January 2, 2018, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE;
 - ii. Ends on December 31, 2020, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2021, the first complete Tax Year that begins after the end of the Qualifying Time Period; and
- ii. Ends on December 31, 2030, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2035, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Eighty Million Dollars (\$80,000,000), based on Section 313.027 of the TEXAS TAX CODE.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.022(b) of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of \$80,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,326.25 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, the Applicant shall:

- A. provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. no additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as property used for manufacturing.

ARTICLE IV PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Sections 7.1 and 4.10), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a producing cause, or which resulted, at least in part, because of, or on account of, the execution of this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, such other payments as set forth in Articles V and VI of this Agreement. Subject to the limitations contained in this Agreement (including Sections 7.1 and 4.10), it is the intent of the Parties that the risk of any negative financial consequence to the District's Maintenance and Operations Revenue, to which the execution of this Agreement contributed in any manner, will be borne solely by the Applicant and not by the District.

The Parties expressly understand and agree that, for all Tax Years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, and are not intended to be relied upon, and have not been relied upon, by the Parties as a prediction of future consequences to either Party; (ii) based upon the current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and (iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Sections 4.10, 7.1 and 7.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by the Applicant to the District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions, where:

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for the school year_i under the Applicable School Finance Law for such Tax Year_i had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the District's ad valorem maintenance and operations tax at the District-adopted rate for the applicable Tax Year. For purposes of this calculation, the Third Party (as defined in Section 4.3) will base its calculations upon (1) the total Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District for the District's maintenance and operations ad valorem tax purposes, save and except for the Applicant's Qualified Property subject to this Agreement, *plus* (2) the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes (which total Taxable Values for the Applicant's Qualified Property subject to this Agreement shall be used in lieu of the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's maintenance and operations ad valorem tax purposes).
- ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District actually received or is accrued to the District in accordance with the provisions of the Applicable School Finance Law for such school year.

B. In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for the year for which the calculation is made.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2, results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for any year during the Tax Limitation Period under Subsection *ii* of Section 4.2.A will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 shall be made using a

methodology which isolates only the revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factor not contained in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly selected and appointed each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by a mediator selected in accordance with the procedures set forth in Section 9.3A.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected and appointed under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, and/or Article VI of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculations until the Final Termination Date. The Applicant shall not be liable for any of the Third Party's costs resulting from a review or audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 4.6, if such fee is timely paid.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax

levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.5, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. Notwithstanding the foregoing, for no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 and Section 4.5 which exceeds Fifteen Thousand Dollars (\$15,000.00).

Section 4.7. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected and appointed under Section 4.3 makes its calculations under this Agreement the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property and/or the Applicant's Qualified Investment and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment, respectively, by the Appraisal District. If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations required by this Agreement for the applicable year or years using the new Taxable Value. Upon completion of the new calculations, the Third Party shall transmit the new calculations to the Parties. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.8. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Sections 7.1 and 4.10, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, the Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to District, up to but not to exceed the amount of the limits set forth in this Agreement (including Sections 7.1 and 4.10), that are necessary to offset any such negative impact on the District as a result of its participation in this Agreement. The calculation of any such payments to the District shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

Section 4.9 RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations prepared and/or delivered pursuant to Section 4.5, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within ten (10) days of receipt of the Applicant's

appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the Board of Trustees. Any such appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the Applicant's receipt of the Third Party's final determination of the certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. CUMULATIVE PAYMENT LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, in no event shall the Cumulative Payments calculated for a Tax Year of this Agreement during the period from the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i (i.e. the Tax Year 2018), and ending with the Tax Year 2031, which is the first Tax Year following the end of the Tax Limitation Period exceed an amount equal to One Hundred Percent (100%) of the Applicant's Cumulative Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10. Any of the Cumulative Payments which cannot be paid to the District prior to the end of the first Tax Year following the end of the Tax Limitation Period (i.e. the Tax Year 2031) because such payment would exceed the Applicant's Cumulative Unadjusted Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

ARTICLE V PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, the Applicant on an annual basis shall also indemnify and reimburse the District for all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project described in the Application that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to such project. The Applicant shall have the right to contest the findings of the District's external auditor in accordance with the procedures set forth in Section 4.9.

ARTICLE VI SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts

set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article VI, (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV and V and this Article VI are subject to the limitations contained in Sections 7.1 and 4.10, and that all payments under this Article VI are subject to the separate limitations contained in Sections 6.2 and 6.3.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed either (i) the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement, (ii) or the amount described in Section 6.3.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article VI shall: not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Applicant;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period;

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)-(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement; and

D. for purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year (rounded to the nearest whole number).

Section 6.3 STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT. In addition to the Supplemental Payment limitation set forth in Section 6.2, for any Tax Year during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) the "Applicant's Stipulated Supplemental Payment Amount," as such term is defined in Section 1.2, for such Tax Year; or
- (b) the "Aggregate Limit," as such term is defined in Section 1.2, for such Tax Year.

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year during the term of this Agreement beginning with the Tax Year 2018, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i., the Applicant's Stipulated Supplemental Payment Amount, as defined in Section 1.2, will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the applicable school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Minus,

Any amounts previously paid to the District under Articles IV and V;

Multiplied by,

The number 0.40;

Minus,

Any amounts previously paid to the District under this Article VI with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 4.3 above shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 6.5. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT. For each Tax Year during the term of this Agreement beginning with the Tax Year 2018, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i, and ending with Tax Year 2033, which is the third Tax Year following the end of the Tax Limitation Period, the District, or its successor beneficiary should one be designated under Section 6.7 below shall not be entitled to receive Supplemental Payments, computed under Sections 6.2 and 6.3 above, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement the amount of the Applicant's Stipulated Supplemental Payment Amount, calculated under Sections 6.2 and 6.3 above for such Tax Year, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. If there are changes in Chapter 313 of the Texas Tax Code that increase or decrease the limit on the amount of the Supplemental Payments that may be made to or on behalf of the District by the Applicant under this Article VI, any higher or lower amount of Supplemental Payments that first became due hereunder prior to the effective date of any such statutory change will not be adjusted.

Any of the Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of the third full Tax Year following the end of the Tax Limitation Period, as defined in Section 2.3(D)(ii), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 6.6. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

- (a) All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if

any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.

- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6.
- (c) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.7.

Section 6.7. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during the term of this Agreement, the Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that any of the Applicant's payments under this Article VI be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1 below. Such designation may be rescinded by the Board of Trustees, by action of the Board of Trustees, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 10.1.

Any designation of a successor beneficiary under this Section 6.7 shall not alter the limits on Supplemental Payments described in this Article IV, including Sections 6.2 and 6.3, above.

Notwithstanding the foregoing, any payments made by the Applicant shall be made in the manner and to the Party designated in this Agreement unless the Applicant receives unambiguous written notice from the District that such payments are to be made to a different party.

ARTICLE VII ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts

described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section

9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period

of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement,

signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which

may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any; and
- iv. whether or not any such breach has been cured.

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Harris County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Harris County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$80,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year

that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS.

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i)

delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Greg Ollis
Superintendent
Channelview Independent School District
828 Sheldon Rd.
Phone: (281) 452-8002
Facsimile: (281) 452-8001
Email: Greg.Ollis@channelview.isd.edc14.net

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Kirkmichael T. Moore
Chief Tax Counsel
Lyondell Chemical Company
1221 McKinney Street, Suite 300
Houston, Texas 77010
(713) 309-7200 Telephone
(713) 951-1628 Facsimile
Email: Kirkmichael.Moore@lyondellbasell.com

With a copy to:

Greg Maxim
Cummings Westlake, LLC
12837 Louetta Road, Suite 201
Cypress, Texas 77429-5611
(713) 266-4456 Telephone
(713) 266-2333 Facsimile
Email: gmaxim@cwlp.net

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller; and
 - c. any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE; and
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement.

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this

Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. GOVERNING LAW. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Harris County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government,

governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words "include," "includes," and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase, "but not limited to". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;

B. The District shall provide on its website a link to the location of those documents

posted on the Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ____ day of _____, 2017.

LYONDELL CHEMICAL COMPANY

By: 
Name: KIRK MILLER MOORE
Title: ASSISTANT SECRETARY

CHANNELVIEW INDEPENDENT SCHOOL DISTRICT

By: 
Greg Johnstone
President, Board of Trustees

ATTEST: 
Steven Dennis
Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Channelview Independent School District Board of Trustees created the *Lyondell Chemical Company Reinvestment Zone*. The legal description of the boundaries of the *Lyondell Chemical Company Reinvestment Zone* is attached as the next two pages of this **EXHIBIT 1**, and a map of the *Lyondell Chemical Company Reinvestment Zone* is attached as the last page of this **EXHIBIT 1** following the legal description of the zone.

REINVESTMENT ZONE LEGAL DESCRIPTION

Legal description of land: being 107.5767 acres of land out of the August Peterson Survey, Abstract No. 1530, Harris County, Texas and being comprised of that certain 38.1330 acre tract of land described as 38.1158 acres by tract one and being 69.4437 acres out of that certain 78.3746 acre tract of land described as 78.486 acres by tract two in general warranty deed to EXXON CORPORATION, recorded by County Clerk's File No. L440853 and in Film Code 198-37-1410 of the official public records of Harris County, Texas. Bearings sited herein are based on the description of said 38.1158 acre tract.

Also being a tract of land in the A. Peterson Survey, Abstract No. 1530, Harris County, Texas and being a portion of that land sold to Atlantic Richfield Company as described in deed recorded under Harris County Clerk's File No. E 238690.

Also being a tract of land in the P.J. Duncan Survey, Abstract No. 232, Harris County, Texas and a being more particularly described by metes and bounds as follows:

Beginning at a 5/8" iron rod in concrete found at a fence corner on the North line of the Blunt Sessums Survey, Abstract No. 733, Harris County, Texas and the North Line of that certain 150 foot wide strip of land described by instrument to Houston Lighting & Power Company, recorded in Volume 2379, Page 510 of the deed records of Harris County, Texas for the Southwest corner said Peterson Survey and being the southeast corner of that certain 10.6116 acre tract of land described by deed to Atlantic Richfield Company, tract no. 1, recorded by county clerk's file no. E837116 and in film code 145-14-2565 of the official public records of Harris County, Texas, said iron rod being the southwest corner of the herein described tract; thence along the east line of said 10.6116 acre tract and the west line of said 38.1158 acre tract, North 00 degrees 05 minutes 23 seconds West, 1024.54 feet to a 5/8" iron rod in concrete found on the south right-of-way line of Wallisville Road for the northeast corner of said 10.6116 acre tract and being the northwest corner of the herein described tract; thence along the south right-of-way line of said Wallisville Road the following nine (09) courses and distances:

North 71 degrees 23 minutes 46 seconds East, 1446.61 feet to a 3/4" iron rod; North 71 degrees 24 minutes 30 seconds East, 163.70 feet; South 89 degrees 01 minutes 44 seconds East, 214.55 feet to a 5/8" rebar; North 89 degrees 41 minutes 02 seconds East, 2231.05 feet to a 1/2" rebar; North 89 degrees 36 minutes 48 seconds East, 921.15 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89 degrees 36 minutes 48 seconds East, 203.88 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; North 89 degrees 36 minutes 48 seconds East, 206.14 feet to a 3/4" aluminum rod with cap

stamped "Atlantic Richfield Property Corner"; North 89 degrees 41 minutes 18 seconds East, 584.94 feet to a 5/8" rebar;

Thence leaving said right-of-way South 00 degrees 18 minutes 42 seconds East, 99.97 feet to a 5/8" rebar; North 89 degrees 41 minutes 18 seconds East, 75.00 feet to a 5/8" rebar; North 00 degrees 18 minutes 42 seconds West, 99.98 feet to a 5/8" rebar on the south right-of-way line of said Wallisville Road; thence along the south right-of-way line of Wallisville Road North 89 degrees 41 minutes 18 seconds East, 338.72 feet to a 1/2" rebar; thence leaving said right-of-way line South 01 degrees 01 minutes 32 seconds East, 793.86 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; thence South 88 degrees 58 minutes 28 seconds West, 1775.98 feet to a 3/4" aluminum rod with cap stamped "Atlantic Richfield Property Corner"; thence South 88 degrees 58 minutes 28 seconds 208.35 feet; thence South 42 degrees 55 minutes 25 seconds West, 516.84 feet to a 5/8" rebar; thence North 00 degrees 22 minutes 43 seconds West, 169.72 feet to a 1/2" rebar; thence South 89 degrees 39 minutes 26 seconds West, 257.03 feet to a 1/2" rebar; thence North 89 degrees 52 minutes 44 seconds West, 440.83 feet to a 1/2" rebar; thence South 00 degrees 07 minutes 06 seconds East, 228.53 feet to a 1/2" rebar; thence South 89 degrees 39 minutes 38 seconds West, 380.99 feet to a 5/8" rebar with cap "M. Feldbusch TX LS 5213"; thence South 24 degrees 37 minutes 00 seconds West, 269.61 feet to a 5/8" rebar; thence South 89 degrees 03 minutes 02 seconds West, 1190.05 feet to a 1/2" rebar; thence South 89 degrees 02 minutes 23 seconds West, 442.50 feet to a 5/8" rebar with cap "M. Feldbusch TX LS 5213"; thence South 89 degrees 02 minutes 52 seconds West, 1153.51 feet to the point of beginning. In all being 163.32 acres more or less.

EXHIBIT 1

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (January 2016)*

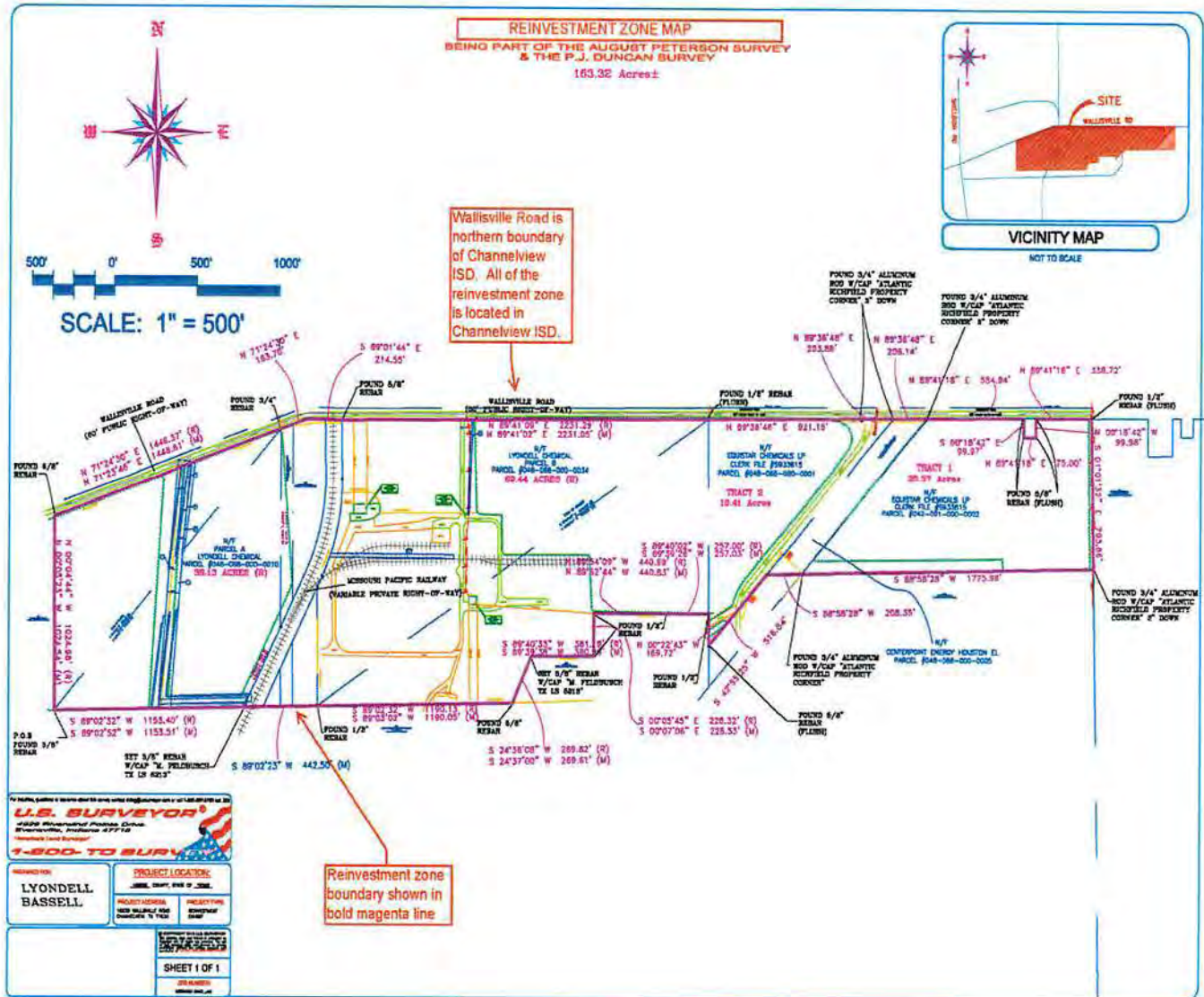


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to **Exhibit 1**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Description

LyondellBasell Industries N.V. ("LyondellBasell" or the "Company") proposes -- through its wholly-owned indirect subsidiary, Lyondell Chemical Company ("LCC") -- to construct a new propylene oxide/tertiary butyl alcohol ("POTBA") plant in Harris County, Texas, adjacent to LCC's existing Channelview plant. The proposed POTBA plant will have an annual capacity of 456 thousand metric tons (1.01 billion pounds) of propylene oxide ("PO") and 1,066 thousand metric tons (2.35 billion pounds) of tertiary butyl alcohol ("TBA").

New process equipment associated with this project includes, but is not limited to, reactors, vessels, heat transfer equipment, fractionation and distillation towers, pumps, motors, electrical substation and other electrical infrastructure and controls, computer control systems, operational safety systems, process piping, boilers, flares, emergency generator, firewater pumps, cooling towers and cooling water circulation and distribution system, pollution control equipment, wastewater treatment plant, storage tanks and spheres with associated piping and other equipment components. New buildings would include, but are not limited to administration offices, warehouse/maintenance shops, laboratory, and control room buildings. Land improvements include, but are not limited to, rail spurs and switches, truck loading/unloading areas, rail loading/unloading areas, pipeline connections and metering, parking lots, road paving, and storm water ditches and impoundments.

Ineligible Existing Property

Harris County Appraisal District account number 048-068-000-0034 contains property improvements including two derelict buildings, tanks, rail spur tracks, and dirt roads. These improvements are valued by the Harris County Appraisal District at \$130,860 as of January 1, 2017. All of this existing property will be demolished as part of the construction project.

Harris County Appraisal District account number 048-068-000-0021 is owned by Missouri Pacific Railroad which contains railroad tracks. Although this land is included in the reinvestment zone, Lyondell Chemical Company will not construct any new improvements on this land parcel and the existing railroad tracks are not eligible to become qualified property.

Harris County Appraisal District account number 042-091-000-0025 is owned by Equistar Chemicals, LP, a subsidiary of LyondellBasell Industries N.V., the parent company of Lyondell Chemical Company. Improvements on this property account include an employee recreation facility, athletic field, docks, and roads. The employee recreation center and athletic field is valued by HCAD at \$132,530 as of January 1, 2016. January 1, 2017 values have not been determined as of the date of application filing. The dock improvements are not included in the reinvestment zone. All of this property will remain and none of it is eligible to become qualified property.

Harris County Appraisal District account number 048-068-000-005 is owned by Centerpoint Energy and includes electrical transmission lines. Although this land is included in the reinvestment zone,

Lyondell Chemical Company will not construct any new improvements on this land parcel and the existing electrical transmission lines are not eligible to become qualified property.

BEING PART OF THE AUGUST PETERSON SURVEY
& THE P.J. DUNCAN SURVEY

163.32 Acres±



SCALE: 1" = 500'



NOT TO SCALE

Wallisville Road is northern boundary of Channelview ISD. All of the reinvestment zone is located in Channelview ISD.

Location of proposed qualified property is shown within the area shown with bold black line. Please see Tab 10 for description of existing assets.

FOUND 3/4" ALUMINUM
ROD W/CAP "ATLANTIC
RICHFIELD PROPERTY
CORNER" 3" DOWN

FOUND 3/4" ALUMINUM
ROD W/CAP "ATLANTIC
RICHFIELD PROPERTY
CORNER" 2" DOWN

N 89°36'48" E	N 89°36'48"
203.88'	206.14'

*41/18" E 584.94' N

1

1

99.97'

CT 1 N 89°41'18"

FOUND
REBAR

5933613
01-000-0002

100

28° W 1775.94'

26. W 1775.55

✓

N/A
ENERGY HOUSTON, TX

33-060-000-0005

shown

with

rea
a

area.

Reinvestment zone
and project
boundary shown in
bold magenta line

Location of proposed qualified property is shown within the area shown with bold black line. This area will be used mainly as a construction staging area.

For brokings, questions or comments about this survey contact info@surveyspy.com or call 1-800-853-4783 ext. 229

U.S. SURVEYOR®
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Evansville, Indiana 47715
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1-800-TO-SURVEY

PROJECT TYPE: LYONDELL BASSELL	<u>PROJECT LOCATION</u> _____, COUNTY, STATE OF _____ PROJECT ADDRESS: 1500 WALLWALL ROAD DALLAS, TX 75243	<u>PROJECT TYPE:</u> REFINEMENT EXPANSION
	1. COMPANY PROFILE: A full-time, full-service engineering and construction management firm with over 20 years of experience in the petrochemical industry. The firm has a strong track record of successful projects and a commitment to excellence in service.	
	SHEET 1 OF 1 JOB NUMBER: 0000000000000000	

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

LyondellBasell Industries N.V. ("LyondellBasell" or the "Company") proposes -- through its wholly-owned indirect subsidiary, Lyondell Chemical Company ("LCC") -- to construct a new propylene oxide/tertiary butyl alcohol ("POTBA") plant in Harris County, Texas, adjacent to LCC's existing Channelview plant. The proposed POTBA plant will have an annual capacity of 456 thousand metric tons (1.01 billion pounds) of propylene oxide ("PO") and 1,066 thousand metric tons (2.35 billion pounds) of tertiary butyl alcohol ("TBA").

New process equipment associated with this project includes, but is not limited to, reactors, vessels, heat transfer equipment, fractionation and distillation towers, pumps, motors, electrical substation and other electrical infrastructure and controls, computer control systems, operational safety systems, process piping, boilers, flares, emergency generator, firewater pumps, cooling towers and cooling water circulation and distribution system, pollution control equipment, wastewater treatment plant, storage tanks and spheres with associated piping and other equipment components. New buildings would include, but are not limited to administration offices, warehouse/maintenance shops, laboratory, and control room buildings. Land improvements include, but are not limited to, rail spurs and switches, truck loading/unloading areas, rail loading/unloading areas, pipeline connections and metering, parking lots, road paving, and storm water ditches and impoundments.

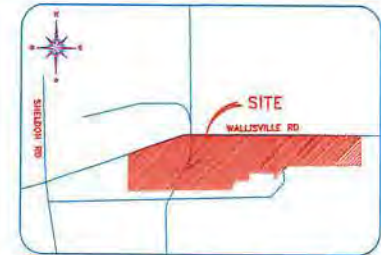
REINVESTMENT ZONE AND PROJECT BOUNDARY MAP

BEING PART OF THE AUGUST PETERSON SURVEY
& THE P.J. DUNCAN SURVEY
163.32 Acres±



500' 0' 500' 1000'

SCALE: 1" = 500'



VICINITY MAP

NOT TO SCALE

Wallisville Road is northern boundary of Channelview ISD. All of the reinvestment zone is located in Channelview ISD.

Location of proposed qualified property is shown within the area shown with bold black line. Please see Tab 10 for description of existing assets.

FOUND 3/4" ALUMINUM ROD W/CAP "ATLANTIC RICHFIELD PROPERTY CORNER" 3" DOWN

FOUND 3/4" ALUMINUM ROD W/CAP "ATLANTIC RICHFIELD PROPERTY CORNER" 2" DOWN

N 89°36'48" E 203.88'

N 89°36'48" E 205.14'

N 89°41'18" E 584.94'

N 89°41'18" E 338.72'

N 89°41'18" E 75.80'

S 88°58'28" W 1775.98'

S 88°58'28" W 208.35'

S 88°58'28" W 208.35'

S 88°58'28" W 208.35'

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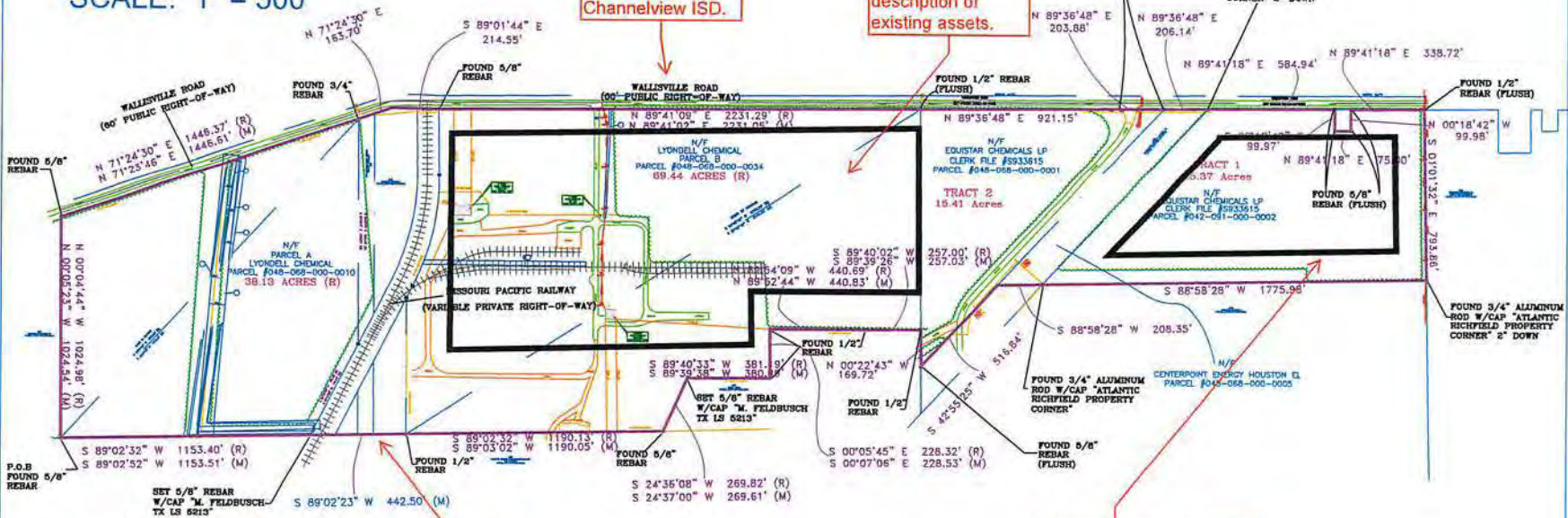
S 88°58'28" W 208.35'

S 88°58'28" W 208.35'

S 88°58'28" W 208.35'

Location of proposed qualified property is shown within the area shown with bold black line. This area will be used mainly as a construction staging area.

Reinvestment zone and project boundary shown in bold magenta line



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PROJECT LOCATION: JUNIATA COUNTY, STATE OF OHIO	
PROJECT ADDRESS: NEED WALLISVILLE ROAD CHANNELVIEW, OH 43028	PROJECT TYPE: REINVESTMENT ZONE
SHEET 1 OF 1	
DATE: 08/11/2011	

EXHIBIT 5
AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Pre-Limitation Period	Partial Deferral Year Beginning on the Application Approval Date (11/16/2017)	January 1, 2017	2017-2018	2017	Application Approval Date (11/16/2017). No limitation on appraised value.
	Partial Year Deferral Period (01/01/2018)	January 1, 2018	2018-2019	2018	Deferral Period. No limitation on appraised value.
	Partial Year Beginning on 01/02/18	January 1, 2018	2018-2019	2018	Start of Qualifying Time Period beginning on January 2, 2018. No limitation on appraised value. First year for computation of Annual Limit.
	1	January 1, 2019	2019-2020	2019	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2020	2020-2021	2020	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	3	January 1, 2021	2021-2022	2021	\$80 million appraised value limitation.
	4	January 1, 2022	2022-2023	2022	\$80 million appraised value limitation.
	5	January 1, 2023	2023-2024	2023	\$80 million appraised value limitation.
	6	January 1, 2024	2024-2025	2024	\$80 million appraised value limitation.
	7	January 1, 2025	2025-2026	2025	\$80 million appraised value limitation.
	8	January 1, 2026	2026-2027	2026	\$80 million appraised value limitation.
	9	January 1, 2027	2027-2028	2027	\$80 million appraised value limitation.
	10	January 1, 2028	2028-2029	2028	\$80 million appraised value limitation.
	11	January 1, 2029	2029-2030	2029	\$80 million appraised value limitation.
	12	January 1, 2030	2030-2031	2030	\$80 million appraised value limitation.
Maintain Viable Presence (5 Years)	13	January 1, 2031	2031-2032	2031	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2032	2032-2033	2032	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	16	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	17	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Agreement for Limitation on Appraised Value
Between Channelview ISD and Lyondell Chemical Company
November 16, 2017

Texas Economic Development Act Agreement
Comptroller Form 50-826 (January 2016)

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

November 16, 2017

President and Members
Board of Trustees
Channelview Independent School District
828 Sheldon Road
Channelview, Texas 77530

Re: Recommendations and Findings of the firm Concerning Application of Lyondell Chemical Company for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Channelview Independent School District, with respect to the pending Application of Lyondell Chemical Company for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Lyondell Chemical Company for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878

400 W. 15th Street★Suite 1410★Austin, TX 78701-1648

Fax 512-485-7888

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

November 07, 2017

Greg Ollis
Superintendent
Channelview Independent School District
828 Sheldon Road
Channelview, Texas 77530

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Channelview Independent School District and Lyondell Chemical Company, Application 1199

Dear Superintendent Ollis:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Channelview Independent School District and Lyondell Chemical Company (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Daniel T. Casey, Moak, Casey & Associates LLP
 Alfred C. Wong, Lynodell Chemical Company
 Angela Gonzalez, Lynodell Chemical Company
 Greg Maxim, Cummings Westlake, LLC

Attachment J

Conflict Of Interest Disclosure

Channelview ISD
November 16, 2017 Board Meeting

Conflicts of Interest Disclosure Review

The Texas State Auditor's Office currently requires documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. The proposed approval of a Chapter 313 Agreement which is scheduled for consideration tonight, is such an occasion. In order to ensure compliance, it is necessary to review and re-affirm compliance with District Policy and State law concerning potential conflicts of interest. In determining conflicts of interest, the following rules apply.

Conflicts Concerning Real Estate Ownership

In the case of a substantial interest in real property, a conflict exists if it is reasonably foreseeable that a Board action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

Conflicts Concerning Business Ownership and/or Employment

In the case of a substantial interest in a business entity, a conflict exists if it reasonably foreseeable that a Board action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public. A conflict of interest also exists when the Trustee or family member, as defined below:

1. owns at least: ten percent of the voting stock or shares of the business entity;
2. owns \$15,000 or more of the fair market value of the business entity; or,

3. if funds received by the Trustee, or family member as set forth below from the business entity exceed ten percent of the person's gross income for the previous year.

All of the provisions set forth above are applicable if a Trustee, or a person related to a Trustee in the first degree by either affinity or consanguinity, has a substantial interest in or employment with a business entity, or has a substantial interest in real property. If any of the foregoing conditions exists, the Trustee has a conflict of interest. Before a vote or decision on any matter involving the business entity or the real property is taken, the Trustee required to file an affidavit with the Board Secretary stating the nature and extent of the interest. Thereafter, the Trustee must abstain from further participation in the matter.

If a conflict exists for any Trustee, the Board may still contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have this review document, and the answers to the foregoing 2 questions included in the minutes of this meeting.